



ANNUAL REPORT

éDUMBE MUNICIPALITY

2008 / 2009
FINANCIAL YEAR

eDUMBE MUNICIPALITY**ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2009****INDEX****Page**

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INTRODUCTION

MAYORS FOREWORD

All sphere of government have a constitutional mandate of ensuring that services are provided. Local government is the sphere that is close to the people. In eDumbe Municipality we not only focus on basic services delivery but we endeavour to ensure that services needed by people are delivered.

Municipality has grown a culture of public participation, several meetings have been held in all wards. The purpose of these meetings is not just to comply with local government, Municipal Systems Act (Act No. 32 of 2000) but is to get public views and do what we can. This has strengthened us relationship and understanding as the community. It has also ensured that what is done by the municipality is what is needed by public.

There has been an improvement in our integrated development planning Government departments were invited to give input while the community members were leading the process through our road shows.

In the past years we have much concern about capacity and performance of our officials. As much as I cannot say we are good but I am proud to say there is major improvement as a result documentation for 2008/2009 documentation was available timely. We are optimistic that in 2009/2010 financial year a better audit report will be realized. We have to change financial system to make it user friendly. The previous system (Dolfin) was the cause of many problem like extraction information from the system for auditors. I am told that the financial system we have is indeed user friendly and known by most employees.

We have a major challenge of a very little equitable share while we have large community needs. Little equitable share is caused by the fact that we have minimal number of registered voters yet we are a population of more than 100 000.

I want to express my gratitude to our officials who worked tirelessly during financial year. I also want to thank our councillors for their commitment and co-operation. I call on all of us to work hard this financial year to do our people proud.

**His Worship the Mayor: Councillor MA Hlatshwayo
eDumbe Municipality**

FOREWORD BY MUNICIPAL MANAGER

I have pleasure in presenting annual report for the financial year ended 30 June 2009 for our municipality. This is our third annual report, in all our annual report I said for us to improve we need to be committed, dedicated and think positive for positive results. Looking at what we have done for the financial year indeed there is an improvement. No magic was done but commitment from both officials and our Honourable Councillors.

Doing our AFS and getting all the information, keeping record of all departments up to date before the office of the Auditor General becomes easier to achieve unqualified audit opinion. This also requires the office of Auditor General to be positive and willing to help in resolving problems.

Unfortunately for this financial year we did not received any assistance even when we made a call for an advice as we believe that Auditor General exist to help as they also preach.

I am grateful to state that we have been able to provide most of the information required by the office of the Auditor General for the financial year. The cause of our disclaimer is the previous year's queries. At the same token it is sad to state that endeavours have been let down by the financial system. The financial system was said to be a problem and will cause éDumbe Municipality queries that we won't be able to answer. This was discussed in a meeting held on the 31st October 2007, whereby all relevant stakeholders were present and we were promised financial assistance to change the system. Because of the importance of changing the financial system and or having a good financial system, council resolved to do that.

As a rural municipality we are not generating much revenue, this has negative impact in service delivery because the needs of the people are more than the revenue we get and the majority claim to be indigent. I used the word claim because I am told that even teachers apply for indigent relief. Other challenges are lack of housing, high rate of unemployment, poverty and crime.

In addressing lack of housing, our infrastructure Portfolio Committee is working hand in hand with Department of Housing (Human Settlement) in KZN but we are led down by Department of Land Affairs. Development that was approved in 2006, has not taken place.

In ensuring that we will fulfil our constitutional mandate as per chapter 7 of the constitution of the Republic of South Africa (Act 108 of 1996) and chapter 4 of Local Government: Municipal Systems Act (Act 32 of 2000) we call community meetings

These are not just mere meetings but allowing our public to chart the way forward for our primary planning tool. They also played an imperative role in enhancing the IDP meetings also gave our community members an opportunity to be problem solvers. We have Ward Committees in all wards. We have a challenge of ensuring that we make necessary resources available and necessary training to clearly articulate the needs of the people.

éDumbe is rich for tourism purposes. We have a challenge of having very few government department offices. Purpose of having government department is to service peoples' needs. This will never be achieved if the departments are not closed to the people. And they do not even participate in local municipality activities.

éDUMBE Municipality will continue to strive to satisfy the needs of the communities, capacitate employees and Councillors, and utilize our limited resources for the benefit of all.

I thank all the official of éDumbe Municipality for dedication and hard work, Councillors and all stakeholders for their support towards service delivery and development of éDumbe Municipality.

A.M.T. PUTINI
MUNICIPAL MANAGER

PURPOSE OF THE ANNUAL REPORT

The Annual Report is a legal requirement in terms of Chapter 12 of Municipal Finance Management Act, No. 56 of 2003. The purpose of this report is:

- ✓ To provide a record of the activities of the municipality
- ✓ To provide a report on performance in service delivery and budget implementation; and
- ✓ To promote accountability to the local community

The MFMA requires the municipality to report on all aspects of performance providing a true, honest and accurate account of the goals set by council and success or otherwise in achieving these goals. The Annual Report is thus a key performance report to the community and other stakeholders.

VISION FOR ÉDUMBE MUNICIPALITY

By 2026 the éDumbe municipality will be the most successful rural municipality in the country.

MISSION

- ✓ *Work towards a clean, healthy, attractive well-managed, sustainable **environment***
- ✓ *Strive to provide a good standard of affordable, efficient, cost effective **infrastructural services** to all residents*
- ✓ *Take decisions that will lead to a more diverse **economy** which creates sufficient job opportunities, self-employment and improves the general warfare of all*
- ✓ *Provide an environment that is safe and has a wide range of **public** facilities and services*
- ✓ *Ensure an efficient, well-trained **local government** which promotes good communication, co-operation and capacity building; and*
- ✓ *Provide effective, sustainable and affordable **services** according to the needs of the municipality's residents*

In aligning with the Provincial Priorities which are derived from the key developmental challenges related to economic and social needs of the province, one is able to draw the necessary linkage with the provincial priorities, pointing to a common vision for the Province of KwaZulu Natal.

DEMOGRAPHIC INFORMATION

éDumbe Municipality is situated in the north-western part of KwaZulu-Natal. It covers an area of 1 947 km² and has a population of about 101 548 people living in 49 dispersed rural settlements and 3 urban areas, 52 settlements in total. The major urban centre is Paulpietersburg/Dumbe, which is well located in relation to the national road and rail networks. The area of jurisdiction of the municipality is demarcated into seven wards and has mainly a rural population.

POLITICAL LEADERSHIP

The municipality has an Executive system with 4 Councillors on the Executive Committee. The Municipal Council of éDumbe Municipality consists of 14 Councillors with 7 Ward Councillors and 7 Proportional Councillors. The political party breakdown of the Council is indicated in the following table:

POLITICAL PARTY	NUMBER OF COUNCILLOR
INKATHA FREEDOM PARTY	9
AFRICAN NATIONAL CONGRESS	4
DEMOCRATIC ALLIANCE	1

MEMBERS OF EXECUTIVE / COUNCIL COMMITTEE (COUNCILLORS)

Councillor MA Hlatshwayo (Mayor)	Councillor SM Mkhabela
Councillor ST Mthethwa (Deputy Mayor)	Councillor TP Sibeko
Councillor NZ Keswa (Speaker)	Councillor MA Shabangu
Councillor SJ Kunene (Exco Member)	Councillor MS Mncube
Councillor NN Zwane	Councillor IAT Mbatha
Councillor MP Hlomuka	Councillor NR Simelane
Councillor Dr HA Schutte	Councillor JA Scheepers

The Mayor of éDumbe Municipality is Councillor M A Hlatshwayo, who is a PR Councillor.

ÉDUMBE MUNICIPALITY MANAGEMENT

The Municipal Manager has been appointed as from the 06th August 2009. Currently there are 4 Head of Departments assisting the Municipal Manager to have a well managed, efficient and people orientated municipality confirming it to the Batho Pele principles. The Municipality can be broken down into the following Departments:

DEPARTMENT	NAME OF HEAD OF DEPARTMENT
MUNICIPAL MANAGER	Mr AMT PUTINI
CHIEF FINANCIAL OFFICER	Mrs PHZ KUBHEKA
DIRECTOR CORPORATE SERVICES	Mr JT MBOKAZI
DIRECTOR COMMUNITY DEVELOPMENT	Miss ZM MDLAZI
DIRECTOR INFRASTRUCTURE	Mr NFT BUTHELEZI

CORPORATE IDENTITY

GRADING OF LOCAL AUTHORITY	GRADE 3 MUNICIPALITY
AUDITORS	AUDITOR GENERAL
BANKERS	FIRST NATIONAL BANK
REGISTERD OFFICES	10 HOOG STRAAT PRIVATE BAG X308 PAULPIETERSBURG 3180

KEY CHALLENGES

The key challenges for the Municipality include:

1. The éDumbe municipality is located in one of the poorest and poverty stricken district municipalities in KwaZulu-Natal.
2. A large rural population that depends on the nearby urban area of Paulpietersburg for commercial and public services (e.g. health, social welfare, police services etc) places pressure on the primary node because of the lack of social and economic services within the rural areas.
3. Most of the rural settlements are small thus making service delivery costly, this effect is compounded by the aspect that only 23% of the municipality's population lives in an urban area while 77% lives in the rural hinterland of the municipality. The spatial development pattern of the municipality will have to be addressed.
4. 53% of the population of the municipality is women. Women are assumed to be acting as household heads in the absence of partners seeking employment in other urban centres. It is also accepted that these women are more disadvantaged in terms of resources. Strategies need to be developed in order to create security for women and their dependent children.
5. Close to half of the population are children, placing pressure on the need for educational and social facilities. Many of these children will be orphaned as a result of HIV/AIDS. At least 17% of the population is already infected with HIV. The severe impact on the need for health, social and welfare services over the next 20 years will have to be accommodated in the Municipalities strategy for service delivery.
6. Income levels in éDumbe tend to be quite low with 69% of the population earning less than R800 a month. The traditional and rural areas are the most poverty stricken.
7. The majority of the population relies on public transport facilities. This is primarily taxi based. The quality and efficiency of the public transport sector needs attention.
8. Although a large portion of the population has access to household electricity the low income levels in the municipality puts a severe restriction on the number of people actually using electricity as a primary means of energy. Electricity provision at schools and health facilities are especially critical. In the wake of the looming energy crises faced by this country it is vital that the Municipality adopts policy embracing the use of alternative energy sources for new residential and commercial development.

Implementation of the Property Rates Act is scheduled for July 2009 and the preparing for implementation is on schedule.

ACCESS TO SERVICES

Service delivery in éDumbe municipality remains a challenge as indicated by the Census 2001 statistics in the tables below. Levels of delivery differ greatly by ward with many **households** especially in the township and tribal areas having low levels of access electricity. These backlogs have been addressed since 2001, especially regarding electricity, water and sanitation, to such an extent that in some areas they have been totally eliminated, albeit mostly at a RDP standard.

SOCIAL SERVICES

The table below indicates the availability of social related facilities in éDUMBE municipality:

SOCIAL FACILITIES	
Schools	90
Clinics (Including Community Health Centre)	7
Shops in Rural Areas	39
Police Stations	1
Recreational Facilities	9
Old Age Home	1
Community Halls	5
Post-Offices	1
Crèche's (Not verified)	20
Law Courts	1
Hotels, Resorts & Conference Facilities	9
Cemeteries	7
Municipal Offices	3

EMERGENCY SERVICES

The emergency services in the municipal area are provided on a public-private partnership basis. The KZ261 control centre was formed by the Local Municipality, The Farmers Association & a security firm, Tango Foxtrot. The KZ 261 Control Centre provides 24/7 monitoring services. The municipality has one fire-engine for the area. There are currently 12 trained voluntary firemen on 24/7 standby. The fully equipped rapid response vehicle forms the heart of the municipality's emergency services. A **toll free number (0800 261 261)** can be used to report any emergency, so that emergency services can be deployed.

There is only one police station in Paulpietersburg that serve the whole municipal area. Long travel distances from the rural areas indicate that it is crucial to provide a satellite station in the densely populated rural area at Mangosuthu/Bilanyoni.

PERFORMANCE MANAGEMENT

- ✓ As a start, éDumbe Municipality has adopted an Organisational Model. In considering which Performance Model to use, care was taken to ensure that the Key Performance Indicators identified, was in line with the "General Key Performance Indicators" as prescribed by the Local Government Municipal Planning and Performance Management Regulations, 2001.
- ✓ The Performance Areas or Indicators have to be realistic, meaningful, measurable and functional. Furthermore a balance has to be achieved in terms of Functions allocated to the Municipality in terms of legislation and priority in the Integrated Development Plan.
- ✓ The General Key Performance Indicators (KPI's) prescribed in the Local Government Municipal Planning and Performance Management Regulations, 2001 are part of the éDumbe IDP. These will, together with a few extra indicators form the basis of the OPMS. A spreadsheet approach has been used.
- ✓ The Performance targets will be measured on an annual basis and will alter as the performance targets are reached. The Organisational Performance Management Model will also assist in the process of developing an individual Performance Management System that could be linked to the Performance Indicators.
- ✓ In the éDumbe Municipality, together with the other Local Municipalities in the Zululand District Municipality and the ZDM have reached consensus to appoint one Audit Committee for the Zululand District - which will also be tasked to act as a **Performance Audit Committee**.

BACKLOGS IN SERVICES DELIVERY

The éDumbe Municipal Area has a wide range of settlement types and development levels that require land use planning management. These include the urban areas of Paulpietersburg/Dumbe and Bilanyoni, the small town of Luneburg, large rural settlements such as Mangosuthu Village, Ophuzane and Tholakele, the Pongola Bush Nature Reserve, portions of state owned land, Traditional Authority (TA) areas such as Dlamini TA and Mitta TA, as well as privately owned commercial farmland.

PROPOSED SPATIAL PATTERN

The proposed Spatial Pattern is in accordance with the Municipality's Development Vision hence, the IDP Objectives.

The Spatial Development therefore, forms the basis of a Land Use Management System for the area. The intention to use the SDF is to guide the implementation of land use rights, whilst identifying measures to stimulate development.

The Spatial Development Framework makes the following recommendations;

There are three types of **Settlement Hierarchy**:

- ✓ Hub: Paulpietersburg/Dumbe as the primary centre.
- ✓ Service Satellites: Frischgewaagd (Bilanyoni) and Luneburg.
- ✓ Service Sub-Satellites: Ekhombela, Braunschweig, Tholakele, Ophuzane, Mahlosane, Balmoral, and Enkembeni B.

There are two types of **Transport Corridors** namely Primary and Secondary Transport Corridor:

- ✓ Primary Transport Corridor: The R33, the main connector linking Paulpietersburg with Piet Retief and Vryheid.
- ✓ Secondary Transport Corridors: The road P0034, the circular provincial and district roads P0271, P0229, and D1878 linking Paulpietersburg, Bilanyoni, Enkembeni, Balmoral, and Tholakele, as well as the roads P0561, P0303, P0332, and P0045 linking Paulpietersburg, Luneburg and Braunschweig.

The Transport corridors have informed the establishment of a primary and a secondary **Development Corridor**.

- ✓ The Primary Development Corridor is on the R34 Link road on both sides of Paulpietersburg and éDumbe.
- ✓ The Secondary Development corridor is along the P027 up to the point where it intersects with the D1878

The development corridors have led to the identification of **Development Nodes**.

- ✓ A **Primary Development Node** with a radius of 1km has been identified at the intersection of road P271 from Paulpietersburg and road P229 to Mangosuthu and Bilanyoni. This node is close the largest settlements but will be able to provide a service to all the rural settlements east of Paulpietersburg and north of the Bivane River. This node is also the site earmarked for the development of a MPCC.
- ✓ Two **Secondary Development Nodes** has been identified, one at the intersection of roads P271; D1878; D1925 and D1871. This node will be able to provide satellite services to the following settlements:
 1. Obishini
 2. Balmoral
 3. Enkembeni
 4. Empangweni
 5. Ntungwini
 6. Emadulini
 7. Lujojwana
 8. Mpundu
 9. Mahlosane

The second secondary node has been identified on road D213 and is central to the following settlements:

- | | |
|-------------------|-------------------|
| 1. Mahlani | 5. Mthingana |
| 2. Kwambhedleni | 6. Baqulusini 4&5 |
| 3. Mbhambazo | |
| 4. Kwambilimbhaga | |

The **Conservation Areas** identified include;

- ✓ KZN Wildlife-Ezemvelo: Pongola Bush Nature Reserve
- ✓ Protected Areas: including Dumbe Mountain, areas adjacent to Pongola Bush Nature Reserve, and areas adjacent to Pongola River and Bivane Dam,
- ✓ Minor wetlands

The **Agricultural Lands** range from high to low agricultural potential areas.

The **Urban Edges** are identified around the Paulpietersburg/Dumbe area and in accordance with the LUMS the Bilanyoni and Mangosuthu Villages.

The Anglo Welsh and Geluk Mines are identified as Mining **Areas**.

The **Intervention Areas** are also identified particularly for the purposes of rehabilitating areas where closed mines are located.

The proposed **New Link Roads** include;

- ✓ Link between Ophuzane and Mahloni, across the Bivane River.
- ✓ Link between Enkembeni and the N2 across the Pongola River.

The **Land Reform Areas** includes; approved projects, feasible projects without Ministerial Approval, and Labour Tenant Projects.

NUMBER OF HOUSEHOLD ELECTRIFIED

Within the boundary of éDumbe Municipality, electricity is supplied by the Municipality only in Dumbe Location and Paulpietersburg Town and Eskom is supplying the rest of éDumbe Municipality areas e.g. Bilanyoni, Mangosuthu, Bhadeni etc.

SANITATION BACKLOG	BACKLOG (hh)	2008/2009
South Regional Area	19358	R 13 000 000
North Regional Area	20979	R 7 000 000
Total	40 337	R 20 000 000

éDumbe Municipality have approved some of the projects to tackle the backlog and technical department. DME has approved some of the projects for installation of electricity in rural areas.

CHAPTER 3 HUMAN RESOURCES AND OTHER RELATED FINANCIAL INFORMATION

HUMAN RESOURCES

INTRODUCTION

The human resources function is directly linked to service delivery in all its activities such as recruiting, placement, training and determination of condition of service. This section has tried to position the municipality in such a way that service delivery can occur on time and within budget constraints. This section serves all departments of the municipality. The recruitment of the employees occurs as the need arises

The following table shows the total number of staff and vacancies at éDumbe Municipality

CORPORATE SERVICES

INITIALS & SURNAME	SECTOR	POSITION	EMPLOYMENT STATUS	GENDER	RACE
J.T. Mbokazi	Administration	Director Corporate Services	Contract	Male	African
Vacant	Administration	P.A. Director Corporate	Permanent	N/A	N/A
N.E. Khumalo	Administration	Administration Manager	Permanent	Female	African
Vacant	Administration	Human Resource Manager	Permanent	N/A	N/A
Vacant	Administration	Tourism Manager	Permanent	N/A	N/A
T.R. Nkosi	Public Safety	Community Safety Manager	Permanent	Male	African
P.M. Zwane	Administration	Senior Administration Clerk	Permanent	Female	African
S.S.P. Simelane	Administration	Human Resource Officer & Skills Development Facilitator	Permanent	Female	African
Vacant	Administration	Employee Relations Officer	Permanent	N/A	N/A
N.L. Shabangu	Administration	Tourism Officer	Permanent	Female	African
Vacant	Administration	P.A. Manager Community Safety	Permanent	N/A	N/A
S.M. Ngema	Administration	Committee Clerk	Permanent	Male	African
M.M. Magagula	Administration	Human Resource Clerk	Permanent	Female	African
Vacant	Administration	Skills Development Facilitator	Permanent		
J.M. Twala	Administration	Information Technology Technician	Permanent	Male	African
Vacant	Public Safety	Chief Traffic Officer	Permanent		
Vacant	Public Safety	Chief Licensing	Permanent		
Vacant	Public Safety	Disaster Manager	Contract		
Z.A. Zikalala	Administration	Registry Clerk	Permanent	Female	African
L.G. Scholtz	Public Safety	Assistant Superintended	Permanent	Male	White
H.J. Lourens	Public Safety	Senior Administration Clerk	Permanent	Female	White
Vacant	Public Safety	Chief Fire			
Vacant	Administration	Records Clerk	Permanent		
S.F. Ngobese	Public Safety	Senior Traffic Officer	Permanent	Female	African
N.N. Makhoba	Public Safety	Administration Clerk	Permanent	Female	African
Vacant	Public Safety	Fire Officer X 2			
S. Róhrs	Administration	Receptionist	Permanent	Female	White

T.O. Mbatha	Public Safety	Traffic Officer	Permanent	Female	African
M.I. Sibiya	Public Safety	Traffic Officer	Permanent	Male	African
S.M. Kunene	Public Safety	Traffic Officer	Permanent	Male	African
M.V. Nkosi	Public Safety	Pit Assistant	Permanent	Male	African
Vacant	Public Safety	Disaster Clerk	N/A	N/A	N/A
Vacant	Administration	Messenger/Driver	N/A	N/A	N/A
P.H. Xulu	Public Safety	Traffic Warden	Permanent	Female	African
S. Maseko	Public Safety	Traffic Warden	Permanent	Male	African
B.C. Shoba	Administration	General Assistant Supervisor	Permanent	Female	African
T.D. Kubheka	Administration	General Assistant	Permanent	Female	African
M.S. Hlatshwayo	Administration	General Assistant	Permanent	Female	African
D.C. Nyokana	Administration	General Assistant	Permanent	Female	African
4 Vacant	Administration	General Assistant	Permanent		
P.B. Mabuya	Tourism	General Assistant	Permanent	Female	African
M.D. Masondo	Tourism	General Assistant	Permanent	Female	African
T.N. Mdalose	Tourism	General Assistant	Permanent	Female	African
T.S. Sibeko	Tourism	General Assistant	Permanent	Female	African
S.L. Vilakazi	Tourism	General Assistant	Permanent	Female	African
B.B. Mbuyisa	Tourism	General Assistant	Permanent	Female	African
N.E. Dlamini	Tourism	General Assistant	Permanent	Female	African
P.J. Zwane	Tourism	General Assistant	Permanent	Female	African
6 Vacant	Tourism	General Assistant	Permanent	Female	African

EXECUTIVE DEPARTMENT

INITIALS & SURNAME	SECTOR	POSITION	EMPLOYMENT STATUS	GENDER	RACE
A.M.T. Putini	Administration	Municipal Manager	Contract	Male	African
H. Thomas	Administration	P.A. Municipal Manager	Permanent	Female	White
Vacant	Administration	Manager Office of Municipal Manager	N/A	N/A	N/A
H.D. Zulu	Administration	Manager Office of the Mayor	Contract	Male	African
N.P. Jwara	Administration	Communication Officer	Permanent	Female	African
Vacant	Administration	Community Liaison	N/A	N/A	N/A
B.L. Nkwanyana	Administration	P.A. Mayor	Permanent	Male	African
Vacant	Administration	Reporter	N/A	N/A	N/A
Vacant	Administration	Photographer	N/A	N/A	N/A

COMMUNITY DEVELOPMENT

INITIALS & SURNAME	SECTOR	POSITION	EMPLOYMENT STATUS	GENDER	RACE
Z.M. Mdlazi	Administration	Director Community Development	Contract	Female	African
Vacant	Administration	P.A. Director Community Development	Permanent		
P.S.M. Buthelezi	Administration	Manager Community	Contract	Male	African

		Development			
Vacant	Administration	LED Officer	N/A	N/A	N/A
Vacant	Administration	Sport Officer	N/A	N/A	N/A
N. Mahaye	Library	Librarian	Permanent	Female	African
Vacant	Clinic	Chief Professional Nurse	N/A	N/A	N/A
Vacant	Administration	Community Development	N/A	N/A	N/A
B.A. Mbatha	Administration	LED Clerk	Permanent	Male	African
I.M. Hadebe	Administration	Sport Clerk	Permanent	Male	African
Vacant	Library	Assistant Librarian			
G.F. Madi	Clinic	Senior Professional Nurse	Permanent	Female	African
Vacant	Administration	Community Development Officer	N/A	N/A	N/A
C. Nel	Library	Library Assistant	Permanent	Female	White
Vacant	Administration	Community Development Clerk	N/A	N/A	N/A
N.M. Kunene	Clinic	Professional Nurse	Contract	Female	African
Z.L. Dlamini	Library	Library Assistant	Permanent	Female	African
N.N. Hlatshwayo	Clinic	Enrolled Nurse	Permanent	Female	African
S.C. Phakathi	Clinic	Pharmacy Assistant	Permanent	Female	African
Vacant	Clinic	Administration Clerk	N/A	N/A	N/A
Vacant	Clinic	General Assistant	N/A	N/A	N/A

FINANCE DEPARTMENT

INITIALS & SURNAME	SECTOR	POSITION	EMPLOYMENT STATUS	GENDER	RACE
P.H.Z. Kubheka	Administration	Chief Financial Officer	Contract	Female	African
M.V. Xaba	Administration	P.A. to Chief Financial Officer	Permanent	Male	African
Vacant	Administration	Deputy Chief Financial Officer	N/A	N/A	N/A
S. Mngwengwe	Administration	Accountant Expenditure/Assets	Permanent	Male	African
L.H. Masondo	Administration	Accountant Revenue/Billing	Permanent	Female	African
Vacant	Administration	Budget Officer	N/A	N/A	N/A
A.J.S. Marais	Administration	Payroll Officer	Permanent	Female	White
S.K. Buthelezi	Administration	Financial Assistant	Permanent	Male	African
S.C. Barnard	Administration	Debtor Controller	Permanent	Female	White
M.E. Hadebe	Administration	Financial Intern	Contract	Male	African
N.T. Shembe	Administration	Financial Intern	Contract	Female	African
B. Meyer	Administration	Supply Chain Officer	Contract	Male	White
A.L. Mervia	Administration	Customer Care	Permanent	Male	Coloured
S.G.Z. Sibiya	Administration	Creditors Clerk	Permanent	Male	African
G.T. Magudulela	Administration	Senior Cashier	Permanent	Female	African
D.P. Mpungose	Administration	Stores Clerk	Permanent	Male	African
R.B. Vundla	Administration	Cashier	Permanent	Male	African

TECHNICAL DEPARTMENT

INITIALS & SURNAME	SECTOR	POSITION	EMPLOYMENT STATUS	GENDER	RACE
N.F.T. Buthelezi	Administration	Director Technical	Contract	Male	African
D.S. Mkhwanazi	Administration	P.A. to Director Technical	Permanent	Female	African
A.T. Zulu	Planning	Manager Planning	Contract	Male	African
Vacant	Housing	Manager Housing	N/A	N/A	N/A
J.H. Voster	Civil and Building	Manager Civil and Building	Permanent	Male	White
J.D.V.R. Lourens	Electricity	Manager Electricity	Permanent	Male	White
B.W. Dube	Administration	Manager PMU	Contract	Male	African
Vacant	Administration	IDP Manager	N/A	N/A	N/A
Vacant	Housing	Administration Clerk	N/A	N/A	N/A
L. Brand	Cemeteries	Driver/Supervisor	Contract	Male	White
M.E. Sukazi	Civil	Driver/Supervisor	Permanent	Male	African
M.J. Nxumalo	Civil	Driver/Supervisor	Permanent	Male	African
N. Khumalo	Electricity	Supervisor	Permanent	Male	African
Vacant	Administration	Building Inspector	N/A	N/A	N/A
Vacant	Housing	Housing Customer Care	N/A	N/A	N/A
M.S. Cebekhulu	Electricity	Electrician	Permanent	Male	African
Vacant	Administration	Data Capture	N/A	N/A	N/A
Vacant	Administration	GIS Technician	N/A	N/A	N/A
Vacant	Civil	Team leaders	N/A	N/A	N/A
D. Nsibande	Civil	Driver	Permanent	Male	African
M. Mkize	Civil	Driver	Permanent	Male	African
M.W. Mmako	Civil	Driver	Permanent	Male	African
M.A. Masondo	Civil	Driver	Permanent	Male	African
B.Z. Buthelezi	Civil	Driver	Permanent	Male	African
Vacant 10	Civil	Driver	Permanent	Male	African
N.M. Zulu	Civil	Team leader	Permanent	Male	African
N.E. Siyaya	Electricity	Electrical Assistant	Permanent	Female	African
J.M. Shawe	Civil	Driver/Operator	Permanent	Male	African
S.J. Gumede	Civil	Driver/Operator	Permanent	Male	African
P.S. Buthelezi	Civil	Driver/Operator	Permanent	Male	African
Vacant 10	Civil	Driver/Operator	Permanent	Male	African
Vacant	Electricity	General Assistant	Permanent	Male	African
G.J. Mnisi	Civil	General Assistant	Permanent	Male	African
S.L. Moshidi	Civil	General Assistant	Permanent	Male	African
L.D. Lamola	Civil	General Assistant	Permanent	Male	African
B.E. Thabede	Civil	General Assistant	Permanent	Male	African
D. Simelane	Civil	General Assistant	Permanent	Male	African
M. Nkambule	Civil	General Assistant	Permanent	Male	African
M.A. Hlatshwayo	Civil	General Assistant	Permanent	Male	African
P.P. Mbatha	Civil	General Assistant	Permanent	Male	African
T.H. Zwane	Civil	General Assistant	Permanent	Male	African
S.B. Nxumalo	Civil	General Assistant	Permanent	Male	African
M.M. Radebe	Civil	General Assistant	Permanent	Male	African
F.P. Khumalo	Civil	General Assistant	Permanent	Female	African
Vacant 17	Civil	General Assistant	N/A	N/A	N/A
L.E. Nxumalo	Civil	General Assistant	Permanent	Male	African
S.N. Nene	Civil	General Assistant	Permanent	Male	African
Z.R. Nkosi	Civil	General Assistant	Permanent	Female	African
N.L. Mbatha	Civil	General Assistant	Permanent	Female	African

N.A. Dlongolo	Civil	General Assistant	Permanent	Male	African
S. Ntshangase	Civil	General Assistant	Permanent	Female	African
J. Nkosi	Civil	General Assistant	Permanent	Female	African
F.P. Zwane	Civil	General Assistant	Permanent	Female	African
R.P. Makgopa	Civil	General Assistant	Permanent	Male	African
D.J. Mbatha	Civil	General Assistant	Permanent	Female	African
V. Maseko	Civil	General Assistant	Permanent	Female	African
N.M. Hlatshwayo	Civil	General Assistant	Permanent	Male	African
Vacant 62	Civil	General Assistant	N/A	N/A	N/A

The job evaluation exercise for all departments was completed on time and handed over to the regional Job Evaluation Committee. The final decision on this is still to be made by government

The Workplace Skills Plan was submitted to LGSETA on June 30, 2009. We are pleased to report that the DBSA Vulindlela Academy is assisting in the training of staff and councillors

Leave records are now computerised and staffs have been trained to operate the system. The status of leave records as at June 2009 was as follows

GENDER PATTERNS OF THE DEPARTMENT

Gender patterns of eDumbe Municipality for the 2008 / 2009 financial year were as follows:

- ✓ Males = 70
- ✓ Females = 44
- ✓ Disabled = 03

LEAVE RECORDS

LEAVE	PERMANENT STAFF	SECTION 57	CONTRACTUAL
Current Balance			
Accruals Total			
	105	5	4
68			
3308,5			

STAFF MATTERS

The table below provides the total number employees that left the municipality in different categories and or reason(s).

	Total Number of Employees
Resignation	06
Contract Expired	0
Retired	01
Dismissed	01
Transferred	02

APPOINTMENTS

The table below illustrates the levels of hierarchy of appointments that took place during the financial year.

Level	Total Number of Employees
Top Management	04
Middle Management	06
Lower Management	08

OVERTIME

Overtime is regulated by the Basic Conditions of Employment Act. The use of overtime is only when there are temporary staff shortages. In times of need temporary staff is hired without having to employ more permanent personnel.

Employment equity is applied to reflect the diversity of the community. Both employment equity and affirmative action policies are applied, affirmative action being a labour market policy aimed at redressing past imbalances that are a direct result of discrimination and employment equity being a labour market policy aimed at preventing future discrimination.

eDUMBE MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2009



I am responsible for the preparation of these annual financial statements which are set out on pages 1-26, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 17 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr. A.M.T Putini
Municipal Manager

Date

eDUMBE MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

			2009	2008
	Note		R	R
NET ASSETS AND LIABILITIES				
Net Assets			46 855 296	43 585 958
Housing development account			100 348	100 348
Revaluation reserve			3 734 859	3 514 796
Capitalisation reserve			11 081 877	11 081 877
Government grant reserve			26 227 798	17 255 745
Accumulated surplus/ (deficit)			5 710 415	11 633 192
Non - Current Liabilities			600 000	-
Long - term liabilities	1		600 000	-
Current Liabilities			26 111 435	20 143 356
Consumer deposits	2		165 082	144 097
Provisions	3		657 559	259 033
Creditors	4		21 906 559	15 464 729
Unspent conditional grants and receipts	5		927 953	1 914 040
Vat	11		478 668	788 756
Bank Overdraft	19		1 975 615	1 572 701
Suspense				
Total Net Assets and Liabilities			73 566 731	63 729 314
ASSETS				
Non - Current Assets			36 500 206	32 328 907
Property, plant and equipment	6		36 464 634	32 226 665
Intangible assets	26		35 573	91 460
Long - term receivables	7		-	10 782
Current Assets			37 066 524	31 400 407
Inventories	8		226 086	57 135
Consumer debtors	9		28 971 811	25 401 542
Other debtors	10		6 588 979	4 385 621
Cash at Bank	19		1 279 648	1 556 109
Total Assets			73 566 731	63 729 314

eDUMBE MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 30 JUNE 2009			
		2009	2008
	Note	R	R
REVENUE			
Government grants and subsidies	14	16 295 717	21 753 131
Service charges	13	5 498 133	4 275 417
Rates income		14 077 820	13 036 958
Refuse Removal		1 183 118	
Other services/ levies		2 698 742	2 720 004
Rental income		716 007	235 132
Interest earned		122 652	716 512
Total Revenue		40 592 189	42 737 154
EXPENDITURE			
Employee related costs	15	16 926 164	13 504 927
Remuneration of councillors	16	2 555 534	2 600 032
General expenses		8 534 304	5 208 643
Audit Fee			664 994
Grants and subsidies paid		1 232 691	1 420 155
Electricity purchases		5 457 906	3 525 263
Bad debts		7 242 522	2 152 776
Legal fees		252 830	163 494
Contract services		0	426 816
Repairs and maintenance		2 827 186	2 562 445
Depreciation		701 978	1 747 683
Loss on sale of asset			8 662 482
Total Expenditure		45 731 114	42 639 710
(DEFICIT)/SURPLUS		-5 138 928	97 444
Refer to appendix E(1) for the comparison with the approved budget.			

eDUMBE MUNICIPALITY									
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009									
	Reserves and Funds	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total	
	R		R		R		R	R	
2008									
Opening balance as previously reported	-11 633 192	100 348.00	0	11 081 877	17 255 745	3 514 796	11 633 192	31 952 765	
Correction of error in prior year (Note 26.1)	11 633 192	0		0	0	0	0	11 633 192	
Correction of error in prior year (Note 26.2)								0	
								0	
Balance as at 1 July 2008 as restated	0	100 348	0	11 081 877	17 255 745	3 514 796	11 633 192	43 585 958	
2009									
Deficit for the year							-5 138 928	-5 138 928	
Disposals for the year					50 000	17 497	288 707	356 204	
Transfer to CRR							0	0	
PPE Purchased					374 121	202 566	43 953	620 640	
Capital grants used to purchase PPE					4 336 005		-4 336 005	0	
Capital grants used for capital under construction					3 961 885		-3 961 885	0	
Offsetting of depreciation					250 043		-250 043	0	
Other adjustments							7 098 890	7 098 890	
Prior year adjustments (Note 17)							332 533	332 533	
Balance at 30 June 2009	0	100 348	0	11 081 877	26 227 798	3 734 859	5 710 415	48 855 297	

eDUMBE MUNICIPALITY			
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009			
	Note	2009	2008
		R	R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts for ratepayers, government and other		40 592 189	25 957 943
Cash paid to suppliers and employees		36 876 643	27 450 308
Cash generated from /(utilised in) operations	18	3 715 546	(1 492 365)
Interest received		122 652	716 512
NET CASH FROM/ (Utilised In) OPERATING ACTIVITIES		3 838 198	(775 853)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4 582 525)	(8 180 947)
Decrease in non-current receivables		10 782	15 027
NET CASH UTILISED IN INVESTING ACTIVITIES		(4 571 743)	(8 165 920)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in consumer deposits		20 985	(17 460)
NET CASH FROM/(UTILISED IN) FINANCING ACTIVITIES		20 985	(17 460)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(712 559)	(8 959 233)
Cash and cash equivalents at the beginning of the year		(16 592)	8 942 641
Cash and cash equivalents at the end of the year	19	(695 967)	(16 592)
		(712 559)	8 959 233

[illegible]

4.2	Government Grant Reserve								
<p>When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/ (deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by the National Treasury.</p> <p>When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/ (deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/ (deficit).</p> <p>When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/ (deficit).</p>									
5	PROPERTY, PLANT AND EQUIPMENT								
<p>Property, plant and equipment is stated at cost less accumulated depreciation. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an infinite life.</p>									
<p>The municipality did not review the useful life or the depreciation method used on the assets recognised in the annual financial statements for 2007/ 2008 financial year due to the exemption granted in Gazette 30013. A narrative is included in the notes to the financial statements where there is reason to believe that an item of property, plant and equipment needs to be impaired which is in line with the Government Gazette 30013, and hence no impairment losses have been recognised.</p>									
<p>Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.</p>									
<p>Depreciation is calculated on cost, using the straight - line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-</p>									
					<u>Years</u>			<u>Years</u>	
	Land and Buildings					Other			
	Buildings				30	Audio visual		3	
						Bins and containers		5	
	Infrastructure					Computer equipment		5	
						Computer software		3	
	Roads				10	Fire equipment		5	
						Furniture and fittings		5-10	
	Community					Medical equipment		5	
	Recreational facilities				20	Office equipment		5-10	
	Security measures				3-5	Tools and equipment		3	
						Plant and equipment		5-10	
						Vehicles, Tractors etc.		7	
<p>The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.</p>									
<p>Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.</p>									
<p>Any items of property, plant equipment that should be recognised and disclosed as inventory has not been done. Instead a narrative is included in the notes if any items of property, plant and equipment could include inventory. This is in line with the exemptions provided in Government Gazette 30013.</p>									
<p>Any items of property, plant equipment that should be recognised and disclosed as investment property has not been done. Instead a narrative is included in the notes if any items of property, plant and equipment could include investment property. This is in line with the exemptions provided in Government Gazette 30013.</p>									
6	INVESTMENTS								
<p>Financial instruments, which include fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.</p>									
<p>On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.</p>									

7	ACCOUNTS RECEIVABLES								
	Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.								
	Accounts receivable was not adjusted to fair value by discounting all future receipts using an imputed rate of interest due to the exemptions been granted in terms of Government Gazette 30013.								
8	TRADE CREDITORS								
	Trade creditors are stated at their nominal value.								
	Accounts payable was not adjusted to fair value by discounting all future receipts using an imputed rate of interest due to the exemptions been granted in terms of Government Gazette 30013.								
9	INVENTORY								
	Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first-in first-out method. Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.								
	Any items of property, plant equipment that should be recognised and disclosed as inventory has not been done. Instead a narrative is included in the notes if any items of property, plant and equipment could include inventory. This is in line with the exemptions provided in Government Gazette 30013.								
10	REVENUE RECOGNITION								
	10.1	Revenue from exchange transactions							
	Service charges relating to electricity and water are based on consumption. Meters are read on a periodic basis and revenue is recognised when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed and are based on the consumption history. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period.								
	Revenue from property rates is recognised when the legal entitlement to this revenue arises.								
	Collection charges are recognised when such amounts are legally enforceable.								
	Penalty interest on unpaid rates is recognised on a time proportion basis.								
	Interest and rentals are recognised on a time proportion basis.								
	Revenue was not adjusted to fair value by discounting all future receipts using an imputed rate of interest due to the exemptions been granted in terms of Government Gazette 30013.								
	Revenue from the sale of goods is recognised when the risk is passed to the consumer.								
	10.2	Revenue from non - exchange transactions							
	Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.								
11	CONDITIONAL GRANTS AND RECEIPTS								
	Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.								
12	PROVISIONS								
	A provision is recognised when the municipality has a present or constructive obligation as a result of a past events and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at year end and adjusted to reflect the current best estimate.								
13	CASH AND CASH EQUIVALENTS								
	Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short - term highly liquid investments with original maturities of three months or less, and bank overdrafts.								
	Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.								

14	UNAUTHORISED EXPENDITURE								
	Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.								
15	IRREGULAR EXPENDITURE								
	Irregular expenditure is that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act (Act No.20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.								
16	FRUITLESS AND WASTEFUL EXPENDITURE								
	Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.								
17	COMPARATIVE INFORMATION								
17.1	<i>Current year comparatives</i>								
	Budgeted amounts have been included in the annual financial statements for the current financial year only.								
17.2	<i>Prior year adjustments</i>								
	When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.								
18	LEASES								
	<i>Operating leases - The Municipality as lessee</i>								
	Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating								
	Operating lease payments are not straight-lined due to the exemptions of Government Gazette 30013.								
19	EMPLOYEE BENEFITS								
19.1	<i>Pension obligations</i>								
	The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.								
20	TAXATION								
	The Municipality is exempted from tax in terms of section 10(1)(a) of the Income Tax Act of 1962.								
21	BORROWING COSTS								
	Borrowing costs are recognised as an expense in the Statement of Financial Performance.								
22	INTANGIBLE ASSETS								
	Only expenditure relating to computer software and website costs are capitalised and disclosed as intangible assets. All other expenditure are expensed as incurred. This is in line with the exemptions of Government Gazette 30013.								

eDUMBE MUNICIPALITY					
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009					
		2009		2008	
		R		R	
1 LONG-TERM LIABILITIES					
DBSA loan		600 000		-	
Loan Amount of R 1 200 000, received in two tranches of R 600 000.00					
Fixed Interest rate of 6.75 %					
Loan period 4 Years					
Grace period for Capital repayment 2 Years					
Note: R 600K was received in the current year and another R600k will be received in the next period.					
2 CONSUMER DEPOSITS					
Electricity		165 082		144 097	
Total Consumer Deposits		165 082		144 097	
3 PROVISIONS					
Audit fee		359 671		40 329	
Provision for Rehabilitation of Land Fill Site		297 887		259 033	
The movement in current provisions are reconciled as follows:					
Provision for Rehabilitation of Land Fill Site		0		0	
Balance at beginning of year		297 887		259 033	
Contributions to provision		0		0	
Expenditure incurred		297 887		259 033	
Balance at end of year		297 887		259 033	
Audit fee		40 329		420 769	
Balance at beginning of year		400 000		461 098	
Contributions to provision		359 671		40 329	
Expenditure incurred		657 559		299 362	
Total Provisions		657 559		299 362	
4 CREDITORS					
Trade creditors		1 175 456	1168091.08	1 507 375	
Other creditors		19 003 623		12 340 656	
Staff leave		1 178 210		646 656	
Staff bonus - 13th cheque		549 270		549 270	
Total Creditors		21 906 559		15 464 729	
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS					
KZNPA Grants		0		45 000	
Planning & Development Grants		-56 909		155 000	
MIG		1 376 551			
ZDM Grants		0		963 151	
Finance Management		-3 278		347 706	
MAP		30 170		223 184	
Pongola Bush		30 000		180 000	
Dumbe Sportsfield		-448 582			
Total Conditional Grants and Receipts		927 953		1 914 040	
Refer to Note 14 for more detail on conditional grants and receipts					
6 PROPERTY, PLANT AND EQUIPMENT					
30-Jun-09					
Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Other	Total
	R	R	R	R	R
Carrying Values at 1 July 2008	20 448 266	8 061 042	151 250	3 657 567	32 318 125
Cost	22 144 903	10 877 951	287 523	5 400 585	38 710 962
Intangibles transferred to note 26					
Accumulated depreciation	-1 696 637	-2 816 909	-136 273	-1 743 018	-6 392 837
Acquisitions		3 961 885		620 640	4 582 525
Intangibles transferred to note 26				0	0
Capital under construction		0			0
Rehabilitation	297 887				297 887
Depreciation on intangibles transferred to note 26				0	0
Depreciation	-75 257	-415 145	-106 067	-69 936	-666 405
Carrying value of disposals					
Cost	0	0	0	-67 498	-67 498
Accumulated depreciation	0	0	0	0	0
Carrying Values at 30 June 2009	20 670 896	11 607 782	45 183	4 140 773	36 464 634
Cost	22 442 790	14 839 836	287 523	5 953 727	43 523 876
Accumulated depreciation	-1 771 894	-3 232 054	-242 340	-1 812 954	-7 059 242

eDUMBE MUNICIPALITY					
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009					
	2009			2008	
	R			R	
30-Jun-08					
Reconciliation of Carrying Value					
	Land and Buildings	Infrastructure	Community	Other	Total
	R	R	R	R	R
Carrying Values at 1 July 2007	18 133 501	12 084 090	181 150	4 148 599	34 547 340
Cost	19 501 648	17 586 203	287 523	5 265 683	42 661 237
Accumulated depreciation	-1 368 147	-5 502 113	-106 373	-1 137 264	-8 113 897
Acquisitions	2 384 222	3 904 906		338 683	6 627 811
Intangibles transferred to note 26				0	0
Capital under construction		1 294 103			1 294 103
Transfer of sewer assets		-1 233 562			-1 233 562
Transfer of water assets		-7 322 314			-7 322 314
Rehabilitation	259 033				259 033
Depreciation on intangibles transferred to note 26				0	0
Depreciation	-328 490	-666 182	-29 900	-723 109	-1 747 681
Carrying value of disposals					
Cost	0	0	0	-223 961	-223 961
Accumulated depreciation	0	0	0	117 355	117 355
Correction of error (note 17)					0
Depreciation		-1 130 218		-357 240	-1 487 456
Carrying value of disposals	0	0	0	0	0
Cost	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0
Carrying values at 30 June 2008	20 448 266	8 061 042	151 250	3 566 107	32 226 665
Cost	22 144 903	10 877 951	287 523	5 288 858	38 599 235
Accumulated depreciation	-1 696 637	-2 816 909	-136 273	-1 722 751	-6 372 570
The Municipality did not review the useful life or the depreciation method used on the assets recognised in the annual financial statements for the 2008/2009 financial year due to the exemption granted in Gazette 30013. No impairment losses have been recognised in the 2008/2009 financial year also due to the exemption granted in Gazette 30013.					
7 LONG-TERM RECEIVABLES					
Repayment agreements			0		10 782
			0		10 782
Less : current portion transferred to current receivables					
Total receivables			0		10 782
8 INVENTORY					
Consumables			226 086		57 135
Total inventory			226 086		57 135
9 CONSUMER DEBTORS	Gross Balances		Provision for Bad Debts		Net Balances
As at 30 June 2009					
Service debtors					
Water	0		0		0
Rates	1 922 158		384 432		1 537 726
Sewerage	53 032		53 032		0
Refuse	33 355 790		6 671 158		26 684 632
Electricity	910 286		160 834		749 452
Total	36 241 267		7 269 456		28 971 811
As at 30 June 2008					
Service debtors					
Water	2 092 655		2 092 655		0
Sewerage/Refuse	1 976 195		111 321		1 864 874
Rates	111 321		91 697		19 624
Refuse	23 961 239		1 111 817		22 849 422
Electricity	700 108		32 485		667 623
Note: The provision for bad debts were adjusted to 20% of outstanding Debtors, prior to any writeoffs.					
Total	28 841 517		3 439 975		25 401 542
Rates, Water, Sewerage and Electricity : (Ageing)					
Current			1 210 068		881 020
30 Days			1 262 823		1 066 625
60 Days			1 190 706		1 010 204
90 Days			1 182 178		991 319
120 Days and more			34 848 557		24 998 303
Total			39 674 333		28 947 471
The Municipality did not measure revenue at fair value discounting all future receipts using an imputed rate of interest. Exemption has been granted in terms of Gazette 30013					
Reconciliation of the bad debt provision					
Balance at beginning of the year			3 545 929		1 393 153
Contributions to provision			5 640 437		2 152 776
Bad debts written off against provision			1 916 910		
Balance at end of year			7 269 456		3 545 929
10 OTHER DEBTORS					
Projects			1 253 984		
Various			4 580 055		4 385 621
Prior Year Balances			754 940		
			6 588 979		4 385 621

eDUMBE MUNICIPALITY					
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009					
			2009		2008
			R		R
11	VAT				
	VAT (payable)		478 668		788 756
	VAT is payable on the invoicer basis.				
12	BANK BALANCES AND CASH				
	The Municipality has the following bank accounts: -				
	Cheque Account (Primary Bank Account)				
	First National Bank - Paulpietersburg				
	Account Number : 53280005944				
	Cash book balance at beginning of year		-514 102		-514 102
	Cash book balance at end of year restated		0		-514 102
	Bank statement balance at beginning of year		1 407 422		523 939
	Bank statement balance at end of year		1 975 615		1 407 422
	Call account				
	First National Bank - Paulpietersburg				
	Account Number : 61328003233				
	Cash book balance at beginning of year		5 454 610		5 454 610
	Cash book balance at end of year		677 602		5 454 610
	Bank statement balance at beginning of year		5 454 610		
	Bank statement balance at end of year		677 602		5 454 610
	Call account				
	First National Bank - Paulpietersburg				
	Account Number : 62033660376				
	Cash book balance at beginning of year		2 133		2 133
	Cash book balance at end of year		601 043		2 133
	Bank statement balance at beginning of year		2 133		
	Bank statement balance at end of year		601 043		2 133
	Call account				
	First National Bank - Paulpietersburg				
	Account Number : 62219848746				
	Cash book balance at beginning of year				
	Cash book balance at end of year		1 004		0
	Bank statement balance at beginning of year				
	Bank statement balance at end of year		1 004		0
	Call account (Account closed prior to year end)				
	First National Bank - Paulpietersburg				
	Account Number : 71128508391				
	Cash book balance at beginning of year		2 000 000		2 000 000
	Cash book balance at end of year		0		2 000 000
	Bank statement balance at beginning of year		2 000 000		2 000 000
	Bank statement balance at end of year		Nil		2 000 000
	Call account (Account closed prior to year end)				
	First National Bank - Paulpietersburg				
	Account Number : 74069461278				
	Cash book balance at beginning of year		2 000 000		2 000 000
	Cash book balance at end of year		0		2 000 000
	Bank statement balance at beginning of year		2 000 000		2 000 000
	Bank statement balance at end of year		Nil		2 000 000
	Refer to Note 19 for total cash and cash equivalents				
13	SERVICE CHARGES				
	Water sales		0		0
	Sanitation				0
	Electricity sales		5 498 133		4 275 417
	Total Service Charges		5 498 133		4 276 417
14	GOVERNMENT GRANTS AND SUBSIDIES				
	Provincial and Central Government subsidies		16 181 210		12 646 789
	Primary Health subsidies		0		-
	Grants		114 507		9 106 342
	Total Government Grants and Subsidies		16 295 717		21 753 131
	14.1 Equitable Share				
	In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members in terms of the indigent register. Households with a total monthly income less than R800 (2006: R800) may apply to be registered as indigent.		16 181 210		12 646 789

eDUMBE MUNICIPALITY				
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009				
	2009		2008	
	R		R	
14.2 KZNPA Grants				
Balance unspent at beginning of year	45 000		639 000	
Current year receipts	-		500 000	
Conditions met - transferred to revenue	-45 000		-1 094 000	
Conditions still to be met - transferred to liabilities (see note 5)	0		45 000	
14.3 Planning & Development Grants				
Balance unspent at beginning of year	155 000		155 000	
Current year receipts	-		-	
Conditions met - transferred to revenue	-211 909		-	
Conditions still to be met - transferred to liabilities (see note 5)	-56 909		155 000	
14.4 ZDM Grants				
Balance unspent at beginning of year	963 151		5 034 211	
Current year receipts	-		3 512 171	
Conditions met - transferred to revenue	-963 151		-7 583 231	
Conditions still to be met - transferred to liabilities (see note 5)	-0		963 151	
14.5 Finance management				
Balance unspent at beginning of year	347 706		-	
Current year receipts	0		500 000	
Conditions met - transferred to revenue	-350 984		-152 294	
Conditions still to be met - transferred to liabilities (see note 5)	-3 278		347 706	
14.6 MAP				
Balance unspent at beginning of year	223 184		-	
Current year receipts	0		500 000	
Conditions met - transferred to revenue	-193 014		-276 816	
Conditions still to be met - transferred to liabilities (see note 5)	30 170		223 184	
14.7 Pongola Bush Reserve				
Balance unspent at beginning of year	180 000		-	
Current year receipts	0		180 000	
Conditions met - transferred to revenue	-150 000		-	
Conditions still to be met - transferred to liabilities (see note 5)	30 000		180 000	
14.8 Edumbe Sportsfield				
Balance unspent at beginning of year	-448 582		-	
Current year receipts	-		-	
Conditions met - transferred to revenue	-448 582		0	
Conditions still to be met - transferred to liabilities (see note 5)	-		-	
14.9 MIG				
Balance unspent at beginning of year	4 101 060		-	
Current year receipts	-7 060 515		-	
Conditions met - transferred to revenue	4 336 005		-	
Conditions still to be met - transferred to liabilities (see note 5)	1 376 551		0	
14.10 Total conditional grants				
Balance unspent at beginning of year	6 015 101		5 828 211	
Current year receipts	-7 509 097		5 192 171	
Conditions met - transferred to revenue	2 421 949		-9 106 342	
Conditions still to be met - transferred to liabilities (see note 5)	927 953		1 914 040	
15 EMPLOYEE RELATED COSTS				
Salaries and wages	12 015 931		9 195 219	
Travel, motor car, accommodation, subsistence and other allowances	1 183 290		-	
Contribution for UIF, medical aid and pension funds	1 800 766		1 364 449	
Housing benefits and allowances	218 504		732 490	
Overtime payments	800 724		384 888	
Leave pay provision	337 691		791 101	
Bonuses	589 259		1 036 780	
Training/Industrial Council Levies /Unif. Protective Clothing	260 906		-	
Total Employee Related Costs	16 926 164		13 504 927	
Remuneration of the Municipal Manager				
Annual remuneration	580 590		339 823.32	
Acting Allowance	17 360		218 990	
Performance bonuses	-		-	
Housing allowance	-		-	
Travel allowance and claims	59 761		60 000	
Subsistence	-		-	
Back pay	3 050		-	
Cell Allowance	450		5 400	
Contributions to UIF, medical and pension funds	1 535		-	
Total	642 746		624 213	
Remuneration of the Chief Financial Officer				
Annual remuneration	279 590		308 400	
Cell allowance	24 573		6 750	
Performance bonuses	-		-	
Housing allowance	50 158		69 988	
Travel allowance and claims	187 555		86 190	
Subsistence	-		-	
Back pay	3 765		-	
Leave pay	-		30 858	
Contributions to UIF, medical and pension funds	1 539		-	
Total	547 180		502 186	
Remuneration of Individual Executive Directors				
	Technical Services	Community Development	Traffic	
	R	R	R	
30 June 2009				
Annual remuneration	288 400	325 690	-	
Cell allowance	4 950	5 948	-	
Performance bonuses	-	-	-	
Housing allowance	24 714	0	-	
Travel allowances and claims	105 000	107 000	-	
Subsistence	-	-	-	
Back pay	247	3 050	-	
Leave pay	-	-	-	
Acting allowance	-	-	-	
Contributions to UIF, medical and pension funds	1 407	1 539	-	

eDUMBE MUNICIPALITY					
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009					
		2009		2008	
		R		R	
Total		424 717	443 227	0	0
		Technical	Community	Traffic	
		Services	Development		
30 June 2008		R	R	R	
Annual remuneration					
Overtime					
Cell allowance					
Performance bonuses					
Housing allowance					
Travel allowances and claims					
Subsistence					
Back pay					
Acting allowance					
Contributions to UIF, medical and pension funds					
Total		0	0	0	0

eDUMBE MUNICIPALITY					
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009					
		2009		2008	
		R		R	
16 REMUNERATION OF COUNCILLORS					
Executive Mayor		201 594		285 397	
Deputy Mayor, Speaker and Exco members		406 664		352 255	
Councillors		1 136 574		1 958 535	
* Unknown reconciling item				3 845	
Other Allowances		810 702			
Total Councillors' Remuneration		2 555 534		2 600 032	
The salaries, allowances and benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution.					
17 CORRECTION OF ERROR					
1 Audit Fees - Expenditure for previous year was overstated.					
This had the following effect on the current year's appropriation a/c					
Audit Fees		0		332 533	
18 CASH (UTILISED IN)/GENERATED FROM OPERATIONS					
Surplus for the year		-5 502 355		97 445	
Adjustment for:-				0	
Depreciation		701 978		1 747 683	
Non-operating income				-2 695 341	
Non-operating expenditure		-4 336 005		2 152 776	
Contribution to bad debt provision		7 242 522		-7 686 186	
Capital grants used to purchase property, plant and equipment		-3 961 885		1 719 046	
Offsetting of depreciation		-250 043		-12 226	
Other adjustments		9 516 671		-3 784	
Prior year adjustments				-549 769	
Removing water and sewer income and expenditure				-716 512	
Investment income		-122 651		8 663 353	
Reserves on disposal of asset		0		8 662 482	
Loss on sale of asset		0			
Operating surplus before working capital changes:		3 286 231		11 378 967	
Decrease in inventories		-168 951		140 262	
(Increase) in consumer and other debtors		-3 570 268		-18 031 369	
(Decrease)/ increase in conditional grants and receipts		-986 087		-3 914 171	
Increase in creditors		4 456 957		13 174 473	
Increase in provisions		398 526		259 033	
(Decrease) in suspense		-66 290		-3 670 955	
(Decrease)/ increase in VAT		0		-828 604	
Cash (utilised in)/generated from operations		3 352 118		-1 492 363	
19 CASH AND CASH EQUIVALENTS					
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:					
FNB Current Account	Account Number : 53280005944	-1 975 615		-1 572 701	
FNB Call Account	61328003233	677 602		1 556 109	
FNB Call Account	62033960376	601 043			
FNB Call Account	62219848746	1 004			
Total cash and cash equivalents		-695 967		-16 692	
20 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT					
20.1 Contributions to organized local government					
Opening balance					
Council subscriptions					
Amount paid - current year		0		0	
Balance unpaid (included in creditors)		0		0	
20.2 Audit fees					
Opening balance		-0		332 533	
Current year audit fee		359 671		332 461	
Amount paid - current year		0		-664 994	
Balance unpaid (included in creditors)		359 671		-0	
20.3 VAT					
VAT inputs receivables and VAT outputs receivables are shown in note 12. All VAT returns have been submitted by the due date throughout the year.					
20.4 PAYE and UIF					
Opening balance		0		0	
Current year payroll deductions		122 908		1 677 122	
Amount paid - current year		-122 908		-1 677 122	
Balance unpaid (included in creditors)		0		0	
20.5 Pension and Medical Aid Deductions					
Opening balance		0			
Current year payroll deductions		1 677 858		1 296 333	
Amount paid - current year		-1 677 858		-1 296 333	
Balance unpaid (included in creditors)		0		0	
20.6 Councillor's arrear consumer accounts					
None					

eDUMBE MUNICIPALITY					
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009					
		2009		2008	
		R		R	
21 CAPITAL COMMITMENTS					
Commitments in respect of capital expenditure:					
- Approved and contracted for		8 130 000		6 230 000	
Infrastructure		8 130 000		6 230 000	
Community					
Heritage					
Other					
- Approved but not yet contracted for		0		2 600 000	
Infrastructure				1 000 000	
Community		-		1 600 000	
Heritage		-		-	
Other		-		-	
Total		8 130 000		8 830 000	
This expenditure will be financed from:					
- Government Grants		8 130 000		8 430 000	
- Capital Replacement Reserve		-		-	
- External Loans		-		-	
- Own Resources		-		400 000	
- District Council Grants		-		-	
		8 130 000		8 830 000	
22 RELATED PARTIES					
There are no known related parties					
23 POST BALANCE SHEET EVENTS					
There have been no post balance sheet events					
24 COMPARISON WITH BUDGET					
The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexure E(1) and E(2).					
25 CORRECTION OF PRIOR PERIOD ERROR					
1 During the year ended 30 June 2008 funds & reserves were inappropriately disclosed on the face of the balance sheet and not reallocated to correct reserve in the statement of changes in net assets.					
The comparative amounts were restated as follows:					
Housing development fund					
Balance previously reported				-100 348.00	
Transfer from Statutory funds				23 190	
Restated balance as at 1 July 2007				-77 158	
Capitalisation reserve					
Balance previously reported				-11 098 273.00	
Transfer from Statutory funds				-8 240 375	
Transfer from Non-distributable reserves					
Restated balance as at 1 July 2007				-19 338 648	
Government Grant reserve					
Balance previously reported				-	
Transfer from Non-distributable reserves				-17 066 723	
Transfer from Distributable reserves				-21 588 320	
Restated balance as at 1 July 2007				-38 655 043	
Revaluation reserve					
Balance previously reported				-2 829 231.73	
Transfer from Non-distributable reserves				2 873 544	
Restated balance as at 1 July 2007				144 312	
Statutory funds					
Balance previously reported				-2 958 246.00	
Transfer to Housing development fund				-23 190.00	
Transfer to Capitalisation reserve				2 981 436.00	
Restated balance as at 1 July 2007				-	
Non-distributable reserves					
Balance previously reported				-29 419 226.00	
Transfer to Capitalisation reserve				8 240 375	
Transfer to Revaluation reserve				4 112 128	
Transfer to Government grant reserve				17 066 723	
Restated balance as at 1 July 2007				-	
Distributable reserves					
Balance previously reported				-7 085 672	
Transfer to Government Grant reserve				2 270 635	
Transfer to Accumulated surplus				4 815 037	
Restated balance as at 1 July 2007				-	
Other reserves					
Balance previously reported				-1 835 000	
Transfer to Accumulated surplus				1 835 000	
Restated balance as at 1 July 2007				-	
Accumulated surplus					
Balance previously reported				-12 464 934	
Transfer from Distributable reserves				-6 750 963	
Transfer from Other reserves					
Restated balance as at 1 July 2007				-19 215 897	
2 Vat adjustment					
During the 2207/08 financial year, the management of the municipality appointed consultants to resolve the vat challenges that were being encountered. This resulted in adjusting entries that needed to be processed on the financial system to present a fair reflection of the vat obligation of the municipality. Majority of these entries related to the prior year and since it would be too tedious and time consuming to analyse which individual votes were misstated, the consultants recommended to management that the adjusting entries required be processed to prior year appropriation.					

eDUMBE MUNICIPALITY				
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009				
			2009	2008
			R	R
26	INTANGIBLE ASSETS			
	30-Jun-09			
	Reconciliation of Carrying Value	Website costs	Computer software	Total
		R	R	R
	Carrying Values at 1 July 2008	0	35 573	35 573
	Cost	0	578 887	578 887
	Accumulated depreciation	0	-543 315	-543 315
	Acquisitions	0	0	0
	Capital under construction	0	0	0
	Depreciation	0	0	0
	Carrying value of disposals	0	0	0
	Cost	0	0	0
	Accumulated depreciation	0	0	0
	Carrying Values at 30 June 2009	0	35 573	35 573
	Cost	0	578 887	578 887
	Accumulated depreciation	0	-543 315	-543 315
	Depreciation was calculated manually on the intangible assets.			
	Only expenditure relating to computer software and website costs are capitalised and disclosed as intangible assets.			
	All other expenditure are expensed as incurred. This is in line with the exemptions of Government Gazette 30013.			

APPENDIX A

eDUMBE MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/2007	Received during the period	Redeemed written off during the period	Balance at 30/06/2008
LONG-TERM LOANS			R	R	R	R
				600 000		600 000
				0		0
Total long-term loans			0	600 000	0	600 000
GOVERNMENT LOANS						
				0	0	0
				0	0	0
Total government loans			0	0	0	0
TOTAL EXTERNAL LOANS			0	600 000	0	600 000

APPENDIX B

eDUMBE MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT (INCLUDING INTANGIBLES) AS AT 30 JUNE 2009

	Cost/ Revaluation				Accumulated Depreciation			Carrying value
	Opening Balance	Additions	Rehabilitation	Under Construction	Disposals/ Transfers	Closing Balance	Opening Balance	
Land and Buildings								
Land	11 377 842		297 887	0	0	11 675 729	0	11 675 729
Building	10 767 061	0		0	0	10 767 061	1 696 637	9 070 424
	22 144 903	0	297 887	0	0	22 442 790	1 696 637	20 746 153
Infrastructure								
Electricity	0				0	0	0	0
Roads	10 877 951	3 961 885			0	14 839 836	2 816 909	11 439 531
Sewerage	0				0	0	0	0
Water	0				0	0	0	0
	10 877 951	3 961 885	0	0	0	14 839 836	2 816 909	11 439 531
Community Assets								
Airports	0				0	0	0	0
Building	0				0	0	0	0
Recreational Facilities	173 491				0	173 491	31 084	142 407
Security Measures	114 032				0	114 032	105 189	8 843
	287 523	0	0	0	0	287 523	136 273	151 250
Other Assets								
Audio visual	132 100	7 999			0	140 099	47 703	91 996
Bins and Containers	16 250	5 600			0	21 850	3 521	17 845
Computer Equipment	765 206	51 456			17 498	799 164	142 777	650 803
Computer Software	578 887	0			0	578 887	487 427	35 573
Emergency Equipment	0				0	0	0	0
Fire Equipment	40 500				0	40 500	8 775	31 725
Furniture and Fittings	1 285 780	107 086			0	1 392 866	141 459	1 232 413
Medical equipment	16 500				0	16 500	3 142	13 358
Office Equipment	544 370	261 250			0	805 620	88 904	669 479
Vehicles Tractors etc.	1 921 902	178 000			50 000	2 049 902	790 040	1 250 962
Plant and Equipment	31 690				0	31 690	5 198	26 492
Tools and equipment	67 400	9 250			0	76 650	24 072	51 168
	5 400 585	620 640	0	0	67 498	5 953 727	1 743 018	4 071 813
TOTAL	38 710 962	4 582 525	297 887	0	67 498	43 523 876	6 392 837	36 408 747

Disclosed under note 27: Intangibles assets

eDUMBE MUNICIPALITY: SEGMENT ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

Accumulated Depreciation

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APPENDIX D

eDUMBE DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED

-1

30 JUNE 2009

2008 Actual Income	2008 Actual expenditure	2008 Surplus/ (Deficit)		2009 Actual Income	2009 Actual expenditure	2009 Surplus/ (Deficit)
R	R	R		R	R	R
1 124 000	5 016 462	-3 892 462	Council General	2 095 962	6 475 751	-4 379 789
0	126 129	-126 129	Corporate Services	0		0
235 132	361 693	-126 561	Municipal Manager	274 003	728 916	-454 912
0	5 893 533	-5 893 533	Technical Services	0	0	0
1 713 452	6 471 473	-4 758 021	Community Development, Planning and Tourism	2 230 489	15 400 769	-13 170 280
25 678 205	8 519 746	17 158 459	Financial Services and Admin	28 638 484	15 829 538	12 808 946
959 236	723 416	235 820	Refuse	1 183 118	866 306	316 812
4 275 417	6 775 544	-2 500 127	Electricity	6 170 133	6 793 264	-623 131
33 985 442	33 887 996	97 446	TOTAL	40 592 189	46 094 543	-5 502 355

APPENDIX E(1)					
eDUMBE MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009					
REVENUE	2009 Actual R	2009 Budget R	2009 Variance R	2009 Variance %	Explanation of Significant Variances greater than 10% versus budget
Government grants and subsidies	16 002 426	17 166 000	-1 163 574	-7	Budget excluded conditional grants whose conditions were met and transferred to revenue
Service charges	5 498 133	5 540 812	-42 679	-1	
Rates income	2 686 455	2 361 366	325 089	14	
Other services/ levies	12 913 704	13 034 662	-120 958	-1	
Rental income	2 698 742	419 335	2 279 407	544	
Interest earned	0	0	0	100	Not budgeted for
Total Revenue	39 799 460	38 522 175	1 277 285	3	
EXPENDITURE					
Employee related costs	19 054 119	14 123 065	4 931 054	35	Back pay not budgeted for
Remuneration of councillors	427 579	2 256 100	-1 828 521	-81	Majority due to savings in Indigent relief
General expenses	8 880 208	10 926 695	-2 046 487	-19	Time spent greater than budget
Audit Fee	0	150 000	-150 000	-100	Not budgeted for
Grants and subsidies paid	1 232 691	5 582 500	-4 349 809	100	
Electricity purchases	5 457 906	3 510 190	1 947 717	55	
Bad debts	7 242 522	71 126	7 171 396	10083	Water and Sewer debtors provided for Staff members suspended which was not budgeted for
Legal fees	252 830	400 000	-147 170	-37	
Contract services	0	0	0	0	
Repairs and maintenance	2 827 187	1 183 000	1 644 187	139	
Loss on sale of asset	0	0	0	100	Not budgeted for
Depreciation	701 978	319 500	382 478	120	Additions greater than budget
Total Expenditure	46 077 019	38 522 175	7 554 844	20	
NET SURPLUS/ (DEFICIT) FOR THE YEAR	-6 277 559	-0			

APPENDIX E(2)							
eDUMBE MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009							
	2009 Actual R	2009 Under Construction R	2009 Total Additions R	2009 Budget R	2009 Variance R	2009 Variance %	Explanation of Significant Variances greater than 10% versus budget
Community services	351 514		351 514		-351 514	-100	Not budgeted for
Executive & Council	21 893		21 893		-21 893	-100	Not budgeted for
Corporate Services	240 725		240 725		-240 725	-100	Not budgeted for
Financial Services & Estates	154 681		154 681	0	-154 681	-100	Actual costs greater than budget. More assets acquired than budgeted for
Municipal Manager	3 950		3 950		-3 950	-100	Not budgeted for
Planning & Tourism	42 273		42 273		-42 273	-100	Not budgeted for
Technical Services	64 637	3 961 885	4 026 521	8 830 000	4 803 479	54	More roads constructed than planned
	879 673	3 961 885	4 841 558	8 830 000			

ANNEXURE 2			
EDUMBE MUNICIPALITY			
ADDITIONAL DISCLOSURES IN THE ANNUAL FINANCIAL STATEMENTS			
Financial Reporting Standard	Extent of Exemption from Standard	Progress made by the Municipality with complying with exemptions	Adjustments to the Annual Financial Statements for full compliance with the exemptions
Accounting policies, changes in accounting estimates and errors (GRAP 3)	Identification and impact of GRAP standards that have been issued but are not yet effective and changes to accounting policies (paragraphs 14, 19 and 30 - 31)	A GRAP implementation plan is being developed with the objective of achieving full compliance by 2009/2010 financial year end. Progress will be monitored yearly and reported to National Treasury.	All GRAP standards not effective will be applied
Property, plant and equipment (GRAP 17)	Review of useful life of items of PPE recognised in the annual financial statements (paragraphs 59 - 61, and 77)	As above	The values of assets will be restated and all assets accounted for, applying reviewed depreciation methods.
	Review of depreciation method applied to PPE recognised in the annual financial statements (paragraphs 62 and 77)	As above	As above
	Impairment of non - cash generating assets (paragraphs 64 - 69 and 75(e)(v) - (vi))	As above	As above
	Impairment of cash generating assets (paragraphs 63 and 75(e)(v) - (vii))	As above	As above
Impairment of assets (IAS 36)	Entire Standard	As above	Carrying values of assets will be written down to their recoverable amounts.
Inventories (GAMAP 12)	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17	As above	No changes
	The entire standard to the extent it relates to water stock that was not purchased by the municipality.		Not applicable since local municipality
Investment Property (IAS 40/ AC 135)	The entire standard to the extent that the property is accounted for in terms of GAMAP 17	As above	Items of PPE will be relocated to Investment property. Subsequent measurement will either be based on cost less accumulated depreciation and impairment losses or fair value with gains and losses in the statement of financial performance.
	Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of the standard (paragraphs 79(e)(i)-(iii))		Additional disclosure.
Leases (IAS17)	Recognising operating lease payments/receipts on a straight-line basis if the amounts are recognised on the basis of cash flows in the lease agreement.	As above	An asset or liability will be raised for the difference between the actual cash flow and amount recognised as a operating lease payment/receipt.
Intangible assets (IAS 38)	Entire Standard, except for the recognition, measurement and disclosure of computer software and website costs and all other costs are expensed.	As above	Computer software disclosed
Employee Benefits (IAS 19/ AC 116)	Defined benefit accounting as far as it related to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. (paragraphs 29, 48 - 119, 120(c) - (q)).	As above	No changes
Revenue (GAMAP 9)	Initial measurement of fair value discounting all future receipts using an imputed rate of interest. (SAICA circular 09/06 and paragraph 12)	As above	Revenue will be adjusted and finance income will be recognised.
Financial Instruments: Disclosures (IAS 39/ AC133)	Initially measuring financial assets and financial liabilities at fair value. (SAICA circular 09/06, paragraph 43, AG 79, AG 64 of IAS 39/ AC133).	As above	Receivables and Payables will be adjusted and finance income and expense will be recognised.
Non-current Assets held for Sale and Discontinued Operations (IFRS 5/ AC 142)	Classification, measurement and disclosure of non-current assets held for sale. (paragraphs 6-14, 15 - 29 (in so far as it related to non-current assets held for sale), 38 - 42).	As above	Re-stating of asset values in the Annual Financial Statements
Financial Instruments: Disclosures (IFRS 7)	Entire standard to be replaced by IAS 32, issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998.	As above	Additional disclosure.
Segment reporting (IAS14)	Entire standard	As above	Additional disclosure.

Operating segments (IFRS 8)	Entire standard	As above	Additional disclosure.
Construction contracts (IAS 11)	Entire standard	As above	Not applicable since local municipality
Business combinations (IFRS 3)	Entire standard	As above	No changes
Accounting for government grants and disclosure of government assistance (IAS20)	Entire standard, excluding paragraph 24 and 26 replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 to 46 of GAMAP 9)	As above	No changes

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF EDUMBE MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

1. Introduction

- 1.1 I was engaged to audit the accompanying financial statements of the eDumbe Municipality which comprise the statement of financial position as at 30 June 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 48.

2. The accounting officer's responsibility for the financial statements

- 2.1 The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3. The Auditor-General's responsibility

- 3.1 As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.
- 3.2 Paragraph 11 *et seq.* of the Standard of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the eDumbe municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.

Basis for disclaimer of opinion

4. Payables

- 4.1 The valuation of payables is stated at R19,00 million in note 4 to the financial statements. This balance included unsupported suspense accounts of R8,92 million and other payables of R2,30 million as well as incorrectly classified indigent debtor balances of R7,78 million. The entity's records did not permit the application of alternative audit procedures regarding payables. Consequently, I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the existence, completeness, obligations and valuation of payables.

5. Value-added Taxation (VAT) payables

- 5.1 The municipality submitted incorrect and incomplete VAT 201 returns to the South African Revenue Services (SARS) throughout the financial year. The differences were noted when comparing the VAT 201 returns to the general ledger for each month. Consequently, the municipality has under-declared VAT by R6,11 million, resulting in an understatement of current liabilities and overstatement of expenditure in the financial statements. Moreover, the VAT consumers and VAT debtors accounts amounting to R362 092 and R56 369 respectively were not accounted for in the financial statements.
- 5.2 The municipality could not access its financial information systems during the period of the audit. Consequently, I was unable to obtain all the information and explanations I considered necessary to satisfy myself that VAT was correctly accounted for on exempt goods and services, receipts, overpayment of consumer debtors and insurance proceeds. Moreover, Output Vat under-declared was offset against Input Vat over-claimed, resulting in the incurring of interest and penalties of R63 549 by the municipality.

6. Cash and cash equivalents

- 6.1 I was unable to confirm the valuation, completeness and existence of cash and cash equivalents totalling R1, 98 million as disclosed in note 12 to the financial statements. In this regard, the above balance included journals totalling R10, 93 million for which no supporting records were maintained as these were unknown and were not approved by the municipality. Furthermore, the cash book closing balance amounting to R10, 65 million for May 2009 was not carried forward as an opening balance in June 2009 resulting in an unexplained difference. In this regard, the municipality's records and systems did not permit the application of alternative audit procedures.

7. Receivables

- 7.1 The valuation, existence, completeness and rights of other debtors amounting to R6,59 million, as disclosed in note 10 to the financial statements could not be confirmed. In this regard, the above balance includes numerous suspense accounts as well other debtors, for which no supporting records, reconciliations and explanations could be provided. The municipality's records and systems did not permit the application of alternative audit procedures.
- 7.2 An assessment of the recoverability of consumer debtors revealed a history of non-payment and a council approved 50% rebate to all consumers who would pay or make arrangements to pay their service charges. Consequently, the provision for the write-down of consumer debtors totalling R7,27 million as disclosed in note 9 to the financial statements, is deemed to be understated and receivables overstated by R10,58 million, respectively.

8. Property, plant and equipment

- 8.1 The existence, completeness, rights and the valuation of the additions to property, plant and equipment amounting to R419 792 could not be confirmed. This is as a result of insufficient supporting documentation and/or explanations. In this regard, the municipality's records did not permit the application of alternative audit procedures.

9. Fruitless and wasteful expenditure

- 9.1 The municipality incurred interest and penalties charges totalling R63 549 for the late submission of VAT returns during the year under review. The late submissions of the returns were contrary to section 28(1) of the VAT Act, 1991 (Act No. 89 of 1991). Furthermore, no disclosure was made in the financial statements of the fruitless and wasteful expenditure incurred, as required by section 125(2)(d) of the MFMA.

10. Reserves

- 10.1 The "non-distributable reserve for unutilised capital receipts" with a balance of R6,00 million for the current year and a closing balance of R0 in the previous year was noted in the general ledger but could not be traced to the financial statements. Furthermore, the "non-distributable reserve for a bank account" with a balance of R3,74 million in the current year and a balance of R1,57 million in the prior year was reflected in the general ledger but could also not be traced to the financial statements. In this regard, no explanations and/or documentation in support of these amounts or transactions could be provided.

11. Revenue

- 11.1 I did not obtain all the information and explanations I considered necessary to satisfy myself as to the completeness, occurrence and accuracy of an amount of R712 567, relating to licence fees that are included as part of the "Other services/levies" in the statement of financial performance. In this regard, no explanations, reconciliations and documentation could be provided in support of or for the differences noted.
12. Moreover, the entity's records did not permit the application of alternative audit procedures.
13. Rental income was incorrectly allocated to other "Other services/levies" in the statement of financial performance instead of "rental income", resulting in an overstatement of the "Other services/levies" and understatement of "rental income" by R310 691, respectively.
14. Grant revenue was not recognised in the statement of financial performance and as disclosed in note 14 to the financial statements for conditional grant when the conditions thereof were met amounting to R2,31 million. Consequently, revenue has been understated and the operating deficit was overstated by the same amount.

15. Expenditure

15.1A differences of R1,09 million was noted for general expenses as disclosed in the statement of financial performance amounting to R8,53 million when compared to the general ledger amount of R9,62 million. No explanations and/or documentation in support thereof could be produced on request.

16. Contingent liabilities

The municipality has omitted disclosure of contingent liabilities amounting to R1,64 million, which was confirmed by the council attorneys during the financial year. This is contrary to section 125(2)(c) of the MFMA, which requires disclosure of contingent liability in the financial statements.

17. Disclaimer of opinion

17.1 Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

18. Emphasis of matters

18.1 I draw attention to the following matter:

19. Basis of accounting and amendments to the applicable basis of accounting

19.1 The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

19.2 As set out in accounting policy note 1 of the municipality's financial statements, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of *General Notice 552 of 2007*, issued in *Government Gazette No. 30013 of 29 June 2007*.

Other matters

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

20. Material inconsistencies in other information included in the annual report

20.1 I have not obtained the 2008/2009 annual report and therefore have not been able to identify any material inconsistencies with the financial statements.

21. Unaudited supplementary schedules

21.1 The municipality provided supplementary information in the Annexure XX and XX to the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1 *Presentation of Financial Statements*. The supplementary budget information and other supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Non-compliance with applicable legislation

22. Municipal Finance Management Act

- 22.1 The 2007/2008 annual report was not submitted or tabled within seven months from year-end, as required by section 127 of the MFMA.
- 22.2 Reconciliations in respect of six control accounts were not performed on a monthly basis, as required by section 65(2)(j) of the MFMA.

23...The municipality's website was not updated with the required information, as required by section 75 of the MFMA.

24. Municipal Systems Act

- 24.1. Employment contracts did not include the details of duties and terms of renewal for the section 57 employees, as required by sections 57(3) and 57(6)(c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), respectively. Furthermore, evidence was not submitted to indicate that these contracts were made public, as required by section 57(1)(b) of the MSA.

25. Governance framework

- 25.1 The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

26. Internal control deficiencies

- 26.1 Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the disclaimer of opinion. The root causes are categorised according to the five components of an effective system of internal control. (The number listed per component can be followed with the legend below the table.) In some instances deficiencies exist in more than one internal control component.

Par. No.	Basis for disclaimer of opinion	CE	RA	CA	IC	M
5.	Payables	5	5	2,3	1	1,3
6, 7.	Value-added Tax (VAT) payables	3,7		3,5	1	1
8.	Cash and cash equivalents		5	2,3		3
9, 10	Receivables	5	5	2,3	1	1,3
11.	Property, plant and equipment			3	1	1
12.	Fruitless and wasteful expenditure	3,7		3,5	1	1
13.	Reserves			3		1

14, 15, 16.	Revenue	3		3	1	1
17.	Expenditure	3		3	1	1
18.	Contingent liabilities	3		3	1	1

26.2 The municipality did not submit requested information and documentation of its financial affairs in the agreed upon timeframes. Moreover, it did not maintain effective, efficient and transparent systems of financial and risk management and internal control, during the year under review.

Legend	
CE = Control environment	
The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting.	1
Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.	2
Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.	3
Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.	4
The accounting officer does not exercise oversight responsibility over financial reporting and internal control.	5
Management's philosophy and operating style do not promote effective control over financial reporting.	6
The entity does not have individuals competent in financial reporting and related matters.	7
RA = Risk assessment	
Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting.	1
The entity does not identify risks to the achievement of financial reporting objectives.	2
The entity does not analyse the likelihood and impact of the risks identified.	3
The entity does not determine a risk strategy/action plan to manage identified risks.	4
The potential for material misstatement due to fraud is not considered.	5
CA = Control activities	
There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.	1
General information technology controls have not been designed to maintain the integrity of the information system and the security of the data.	2
Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed.	3
Actions are not taken to address risks to the achievement of financial reporting objectives.	4
Control activities are not selected and developed to mitigate risks over financial reporting.	5
Policies and procedures related to financial reporting are not established and communicated.	6
Realistic targets are not set for financial performance measures, which are in turn not linked to an effective reward system.	7
IC = Information and communication	
Pertinent information is not identified and captured in a form and time frame to support financial reporting.	1
Information required to implement internal control is not available to personnel to enable internal control responsibilities.	2
Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel.	3
M = Monitoring	
Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting.	1
Neither reviews by internal audit or the audit committee nor self-assessments are evident.	2
Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.	3

Key governance responsibilities

26.3 The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.		<input type="checkbox"/>
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		<input type="checkbox"/>
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.		<input type="checkbox"/>
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines, as set out in section 126 of the MFMA.	<input type="checkbox"/>	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	<input type="checkbox"/>	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none"> The Municipality had an audit committee in operation throughout the financial year. 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 		<input type="checkbox"/>
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. 		<input type="checkbox"/>
7.	Internal audit		
	<ul style="list-style-type: none"> The Municipality had an internal audit function in operation throughout the financial year. 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 		<input type="checkbox"/>
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. 		<input type="checkbox"/>
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		<input type="checkbox"/>
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		<input type="checkbox"/>
10.	The information systems were appropriate to facilitate the preparation of the financial statements.		<input type="checkbox"/>
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used, as set out in section 62(1)(c)(i) of the MFMA.		<input type="checkbox"/>

No.	Matter	Y	N
12.	Delegations of responsibility are in place, as set out section 79 of the MFMA.	<input type="checkbox"/>	<input type="checkbox"/>
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	<input type="checkbox"/>	<input type="checkbox"/>
14.	SCOPA resolutions have been substantially implemented.	<input type="checkbox"/>	<input type="checkbox"/>
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	<input type="checkbox"/>	<input type="checkbox"/>
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	<input type="checkbox"/>	<input type="checkbox"/>
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the eDumbe Municipality against its mandate, predetermined objectives, outputs, indicators and targets, as set out in section 68 of the MFMA.	<input type="checkbox"/>	<input type="checkbox"/>
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	<input type="checkbox"/>	<input type="checkbox"/>

26.4 The financial statements were not reviewed by the chief financial officer and the audit committee before submission for audit. The key officials were available to acknowledge requests during the audit period, however, requests for information and responses to exceptions were not honoured as per the agreed upon timeframes. Furthermore, the municipality did not comply with effective management of risk, good internal control and governance practices.

27. Investigations

27.1 During the period under review, the municipality discovered that monies receipted were not being banked. An investigation in this regard, is in progress.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

29. Report on performance information

29.1 I was engaged to review the performance information.

30. The accounting officer's responsibility for the performance information

30.1 In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

31. The Auditor-General's responsibility

31.1 I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

31.2 In terms of the foregoing my engagement included performing procedures of a review nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

32.2 I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

32. Findings on performance information

No reporting of performance information

32.1 The eDumbe Municipality has not reported performance against predetermined objectives, as required by section 46 of the MSA and section 121(3)(c) of the MFMA.

33. Existence and functioning of a performance audit committee

33.1 The eDumbe Municipality did not appoint and budget for a performance audit committee, nor was another audit committee utilised as the performance audit committee, as required by regulation 14(2) of the Municipal Planning and Performance Management Regulations of 2001.

34. Internal auditing of performance measurements

34.1 The eDumbe Municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, as required by section 45 of the MSA.

The performance Management System will be implemented in the 2009/2010 as a compliance issues and all aspects pertaining to performance will be addressed through the evaluation criteria contained in the Performance Management System.

APPRECIATION

The assistance rendered by the staff of the eDumbe Municipality during the audit is sincerely appreciated.

Pietermaritzburg

27 November 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

RESPONSES ON THE FINANCIAL STATEMENTS

4. Payables

4. Response

The creditor balances have been reviewed and a report has been presented to Council in this regard. After interrogation, it has been found that these amounts have been carried down from previous years and that there is no basis for carrying these amounts, and as Council has resolved per resolution 5/15/1/1 18 November 2009.

Corrective Action:- These amounts journal entries will be written off to rectify these amounts in the 2009/2010 financial year.

5. Value-added Taxation (VAT) payables

5. Response

The amounts reflected on the accounting records will require a review. The returns have been submitted on the basis that the amounts were allowable (per SARS).

Corrective Action: A thorough reconciliation of the VAT Accounts will be undertaken to establish the true VAT payable/receivable. The results of the review will be corrected in the 2009/2010 financial year.

6. Cash and cash equivalents

6. Response

Due to the problems experienced with the financial system, the cash book has now been reconciled to the Bank Statement and the reconciling items totalling R 10,93 million have to be actioned. This reconciled balance will be reflected in the carrying amounts on the new system as this was omitted on brought forward figures on the reports of the old system.

Corrective Action: Council has implemented a new financial system and the cash book/bank will be reconciled on a monthly basis and authorised by the CFO.

7. Receivables

7. Response

These amounts have been carried over from previous years. A review was done and Council resolved to write off R19 003 623 per resolution 5/15/1/1 18 November 2009

Corrective Action: A journal will be processed rectifying this query.

8. Property, plant and equipment

8. Response

It is envisaged that the full revaluation of all assets will be undertaken in the 2009/2010 financial year and that all assets will be verified and adjustments to the accounting records will be made to correctly reflect the carrying values of all the Municipality's assets. The assets register will be amended to include all disposals and additions. Included in the file containing the assets register will be the invoices and supporting documents for any additional assets purchased and these will be disclosed appropriately in the future.

9. Fruitless and wasteful expenditure

9. Response

This was an oversight, however any fruitless expenditure (should there be any instance) will be reported to Council and be disclosed in the annual financial statements in the future.

10. Reserves

10. Response

It was reported to Audit that the differences are as a result of historical errors which were investigated and will be adjusted under authority of Council.

Corrective Action: These votes will be reviewed and the correct amounts will be carried as part of the take on balances in the Abakus system.

11. Revenue

11. Response:

This will be investigated and any discrepancies will be adjusted accordingly and reported to the Audit Committee/Council.

12./13. Response:

In the old system this was not recorded under a separate line item.

Corrective Action: This is now been recorded separately in the new system.

14. Response

The disclosures will be corrected and the correct amounts will be recorded in the carrying amounts in the new system.

15. Response

It was reported to Audit that the basis for the preparation of the Annual Financial Statements was the Trial Balance and that no checks were undertaken to establish if the General Ledger had votes or values not consistent with the Trial Balance.

However this will be investigated and the differences will be adjusted when taking on the final balances in the new system.

16. Response

At the time of preparing the Financial Statements, information pertaining to Contingent liabilities was requested for the Grant commitments only. It was unclear whether there were other potential liabilities for the Municipality/Council. These will be interrogated and will be disclosed should these liabilities not be concluded in the 2009/2010 financial year.

Corrective Action: Contingent liabilities will be confirmed with Council's attorney's in future.

22. Municipal Finance Management Act

22. Responses

Due to lack of staff capacity this was not performed in the past.

Corrective action: These control votes are now been reconciled on monthly basis.

23. the municipality's website was not updated with the required information, as required by section 75 of the MFMA.

23. Responses:

As explained to the auditors part of this information had been updated and the Municipalities IT section is attending to the updating of all information that is required by section 75 of the MFMA.

23. Municipal Systems Act

24. Response

1. Advertisement detail duties.
2. Section 57 Managers receive an all inclusive package.
3. Renewal is decided by Council. When Council decides to renew employment contract then Agreement is signed.

27. Key governance responsibilities

27. (Responses/ Corrective Action are needed for the "No" answers in these paragraphs too. Compliance issue)

28. Investigations

(Responses/ Corrective Action are needed for this paragraph too.)

32-34. Response

The municipality will make it a point that does comply with MFMA, Systems Act etc.

CORPORATE SERVICES

INTRODUCTION

This covers the period July 2008 to June 2009. The activities of the department are determined by the dictates of the annual budget, the Integrated Development Plan and staff complement. The department consists of the following sections:

- ✓ *Administration and Legal Matters*
- ✓ *Tourism*
- ✓ *Public Safety*
- ✓ *Information Technology and*
- ✓ *Public Participation*

Administration and Legal Matters

In this department records are stored by means of a manual system. These mainly involve correspondence, reports and operating papers. Control of access is maintained by staff. Shortcomings in the records management have been identified and will be addressed with the help of uLundi Archives Repository, KZN Department of Arts & Culture.

At present we have someone in our department who has a Law degree but who is being used as a Committee Clerk whom I presume is qualified to handle legal matters for the municipality. We are currently outsourcing legal services it may be a decision we need to revisit.

Tourism

éDumbe Municipality has appointed a Tourism Officer who runs the information office. The function of this office is the marketing and promotion of éDumbe as a tourist destination. It also encourages residents to visit local places of interests. School groups and international tourists use this office to obtain information on places to visit and co-ordinates contact with registered tour guides resident in the municipality.

PUBLIC SAFETY

TRAFFIC SECTION

VIOLATION	TOTAL	AMOUNT
Speed	167	R181'300.00
Safety belt	169	R52'400.00
Tyres	53	R15'900.00
No driver's license	172	R177'500.00
No PrDP	47	R35,000.00
Hooter	16	R3'200.00

Park brake	32	R16'000.00
Unlicensed motor vehicles	162	R105'650.00
Transporting passengers unsafely	4	R1'200.00
Park facing oncoming traffic	32	R3'821.00
No entry sign	33	R12'800.00
Windscreen	7	R7'000.00
Fail to display license disc	66	R13'850.00
Fail to carry driver's license	132	R38'000.00
Allow animals on public road	0	0
Defective tail lamps	71	R22'900.00
Caused obstruction	3	R1,100.00
Red robot	4	R7'000.00
Other	421	R241'150.00
TOTAL FINES WRITTEN	1591	R935'771.00
TOTAL FINES PAID		R335'135.00

GENERAL

- ✓ Traffic officer Mr. MB Khuzwayo passed away in January 2009; the staff from e'Dumbe Municipality attended his funeral in Durban.
- ✓ Three traffic wardens passed their examination in Boekenhootkloof Traffic Training College, they are now qualified traffic officers, and their pass out parade was on 26 June 2009. The Chief Traffic Officer attended the ceremony to receive their diplomas. (Photo's for the ceremony are available)
- ✓ Two new traffic wardens were employed by e'Dumbe Municipality. They will under go training in 2010 in Traffic College.

TESTING SECTION

FUNCTION	TOTAL	AMOUNT
Drivers license application	743	R161'145.00
Drivers tested	481	
Driver's licenses passed	89	
Learners licenses applications	1344	R167'105.00
Learners licenses tested	1128	

Learners licenses passed	584	R28'050.00
Professional drivers licenses applications	369	R44'660.00
Card type licenses applied for	940	R148'935.00
Applications for roadworthy certificates	300	R51'064.00
Roadworthy certificates issued	256	R25'600.00
Free / second tests done	175	
Temporary & duplicate documents	261	R16'830.00
TOTAL		R643'389.00

REGISTRATION & LICENSING SECTION

8.55% from Motor License Bureau to eDumbe Municipality

	TOTAL	AMOUNT
TRANSACTIONS	6035	R218'635.00
DOCUMENTS SENT TO PMB	274	-

GENERAL

- ✓ In October 2008, eDumbe municipality sent Ms NN Makhoba for training in KwaZulu Natal Traffic Training College (Pietermaritzburg) for Grade L examiners of learner's license and she passed, she is now a qualified examiner of learner's license. In October to December 2008 Assistant Superintendent LG Scholtz was also sent to college for grade A examiners of driving license, he also passed.
- ✓ Learners' license tests are now done with a computerized system; it only accommodates ten applicants per session.
- ✓ Mrs. J Lourens (Supervisor) resigned from department of Public Safety her last day was 30 June 2009.

DISASTER SECTION

TYPE OF INCIDENT	WARD	ASSISTANCE RENDERED
HEAVY RAINS AND STRONG WINDS	1	FOOD PARCELS & CLOTHES
FIRE	2	FOOD PARCELS & TENT
HEAVY RAINS AND STRONG WINDS	3	FOOD PARCELS, CLOTHES AND TENTS
VELD FIRES	5	TO STOP FIRE
HEAVY RAINS, STRONG WINDS AND HOUSE FIRES	6	FOOD PARCELS, BLANKETS AND CLOTHES
HEAVY RAINS, STRONG WINDS AND HOUSE FIRES	7	FOOD PARCELS, BLANKETS AND CLOTHES

GENERAL

- ✓ For 2008-2009 only heavy rains, strong winds and house fires attacked our area. The department of Public Safety is doing its best to visit schools for fire awareness campaigns with the help from Mondi Paulpietersburg, hopefully by 2009-2010 the percentage of house fires, veld fires and forest fires caused by the human negligence will decrease.
- ✓ The fire department needs to have proper equipment to fight fires and one full time fire man.
- ✓ The Municipality needs to relook at the disaster budget for 2010-2011.

ROAD SAFETY SECTION

FUNCTION	TOTAL
Road safety	2
Fire awareness campaign	28
Accidents attended	62
Scholar Patrols hrs (lollipop)	481
CTC Meeting	43
Roadblocks	4
Warrants served	98
Cattles on roads	35 Call outs
Drinking and Driving	9
Escort duties	15
Workshops	2
Fire inspections attended	3
Road signs attended	4 (one per quarter)
Road markings attended	4 (one per quarter)

GENERAL

- ✓ The public in Paulpietersburg has been complaining about the cattle's for a long time, the municipality needs to build a pound for the cattle's so that should it happen that we find them in town or on the road we impound them.

PUBLIC SAFETY VEHICLES

REG. NUMBER & TYPE	KM'S TRAVELED	FUEL CONSUMPTION
NPP 2733 Corsa LDV	22060	1329.7
NPP 4221 Corsa LDV	16710	1254.71
NPP 5117 Tata LDV	12861	7649
NPP 4082 Samel Fire Truck	nil	232.6
NPP 1025 Road Block Trailer	nil	Nil
ZDM Trailer	nil	Nil

BACKGROUND

NPP 2733 Opel Corsa LDV was used by the three traffic wardens while they were in College from their place of residence to college everyday, and from Pretoria to Paulpietersburg every last week of the month.

CONCLUSION

THE TOTAL INCOME OF R1'197'159.74 IS FOR eDUMBE MUNICIPALITY FROM JULY2008 TO JUNE 2009

INFORMATION TECHNOLOGY

The Information Technology Section of Corporate Services caters for all departments of the municipality and has improved its CIS (COMPUTERISED INFORMATION SYSTEMS) by adding more functionality by ensuring Network support and it is embarking on Installation of Remote Administration and Firewalls that will improve Security around CIS.

There has been an addition to the Servers at the Municipality. The Municipality has recently upgraded its Financial Applications Server by purchasing a new Server called ABAKUS from FUJITSU, VIP from Softline Software and METGOVIS (A shared service for the Zululand District Municipalities namely: Ulundi Municipality, uPhongolo Municipality, eDumbe municipality and Abaqulusi Municipality) of which will enhance the Finance Department and HR Section of the Corporate Services Department.

SUPPORT SERVICES

The IT Section is organized/structured by having its Technical support which has been enhanced by adding the Exchange Server for e-mails from within the municipality and staff. Council has also been involved by improving their Technological Instruments whereby Council has Laptops and the 3G Cards that will enhance communication between Councillors and the Administration of eDumbe Municipality via e-mails and Digital Conferencing.

OPERATIONS SECTION

Our routine responsibilities are:

1. Monthly rates and penalties for the late payment and rates
2. Updates of daily payments through ACB, bank and Cashier Points
3. General Ledger month end (last day of the new month)
4. Electricity Pay point
5. Systems backup of the current Server Environment which consist of the following:
 - (i) TIS (PABX) Server
 - (ii) ABAKUS
 - (iii) Dolfin
 - (iv) VIP
 - (v) E-mail Server
 - (vi) Metval Server
6. Capturing of data and the updates required for functionality

TECHNICAL ASSISTANCE AND SUPPORT

The Technician ideally handles the trouble shooting of daily technical issues for Desktop users (Colleagues) and the Network for the Servers to have a trouble free environment for its applications.

DATABASE SUPPORT

The main support that is required by Database support is duly back-up and updates which are done by the IT Technician

GIS (GEOGRAPHICAL INFORMATION SYSTEMS)

The Municipality is currently on embarking on updating and improving/Integrating the GIS System by upgrading the Hardware used and the Software to have a functional system and has also provided training staff that handle GIS issues and Applications.

PUBLIC PARTICIPATION

We have 7 wards and over 70 ward committee members. We have started training them on public participation through Umqondo Consultants. At the moment eDumbe municipality do not have a Public Participation Policy. There has been a lot of public participation done through the Mayors' office. We have had several IDP meetings with all the stakeholders including ward committees, youth and sports councils, SAFA and Rate Payers Association to name a few.

Recently we had Matric awards where the municipality encourages student excellence and the culture of leaning in general.

The municipality has also engaged the public on budget delivery meetings that were held in ward 3 with all the ward committees. The same meeting was also held in ward 4 with the community and other stakeholders.

We also have 6 Community Development Workers two per ward which are wards 1,6 and 7. These community development workers also assist in public participation and in imparting knowledge to the development of our communities at least that is what is suppose to be happening.

I believe many of our obstacles in public participation will be resolved once we have a policy in place.

COMMUNITY DEVELOPMENT

INTRODUCTION

This report is the Annual Report for the Community Development Department under the éDumbe Municipality. Community is one of the five departments in the municipality, namely Infrastructure & Technical Services, Finance, Corporate Services & Executive Departments. All these departments work in harmony to ensure that service delivery is rendered at its utmost expectations.

This report will look deeply at how the Community Development Department performed during the 2008 / 2009 Financial Year. The report will be divided into nine [9] sections. It is envisaged that after reading through this report, one will be able to make an assumption of whether the lives of people at the ground were touched or not.

It is therefore for these reasons and more that this report is tabled for perusal, comments, constructive criticism and appraisal if due.

OVERVIEW OF THE DEPARTMENT

The Community Development Department is one of the departments within the municipality that greatly functions by going out to the community at a grass root level. This department works more as the legs and ears of the municipality. This is the department where community meetings, community Izimbizo's, community hearings, community gatherings, community functions & so forth are planned and attended to. The views taken from Communities are then sifted by this department and then accordingly sent to relevant department within the municipality.

SECTIONS OF THE DEPARTMENT

The Community Development Department is divided into the following sections:

- ✓ Administration [Director & Manager of the Department]
- ✓ Municipal Clinic
- ✓ Municipal Libraries
- ✓ Youth & Sports
- ✓ Poverty Alleviation /Local Economic Development
- ✓ HIV / AIDS
- ✓ Gender & Women Empowerment
- ✓ People with Disabilities
- ✓ House of Traditional Leaders
- ✓ Social Development

DEPARTMENTAL FUNCTIONALITY OVERSIGHT

Like any organ of the state, the éDumbe Municipality also has structures that play an oversight role. To ensure that processes and procedures are followed accordingly, the municipality took a step of establishing Portfolio Committees to oversee functionality of each & every department in the municipality. Community Development did not go unnoticed, Council resolved to establish four [4] Portfolio Committees to oversee functionality of this department. They are Sports Portfolio Committee, LED Portfolio Committee, Gender and HIV AIDS Portfolio Committee & Community Development Portfolio Committee.

One could ask him / herself why 'Community Development Portfolio Committee'. Well, this is the committee that consists of the Chairpersons of the other three [3] committees, namely [Gender, LED & Sports]. This committee serves as a platform for these chairpersons to share with each other the issues related to their committees [since they all fall under one department]. Recommendations made by this committee cut across all the portfolios of this department. It is in this committee where departmental monthly & quarterly reports are tabled for consideration / information before they are taken to EXCO / Council for adoption.

DEPARTMENTAL SECTIONS FUNCTIONALITY

YOUTH & SPORTS

In trying to reach out to all the wards of the eDumbe Municipality, the Community Development department embarked on a process of electing sports development & youth development committees in all seven wards. Sports & Youth Councils were then established to oversee the proper functioning of these committees.

So far progress has been seen in terms of all wards participating in sports & youth development activities. The following sports & youth related activities are the living proof that this section was indeed very busy this financial year.

In the 2008 / 2009 financial year the following activities were carried out:

ACTIVITIES

- ✓ ZDM Youth Summit
- ✓ Edumbe Municipality Local Mayoral Cup Games [pictures].
- ✓ Attended the Karate Inauguration ceremony at Bilanyoni Community Hall where our Mayor was awarded a trophy in honour of his continuous support for sports development.
- ✓ ZDM Mayoral Cup Games. In preparation for the Salga KZN Games, the ZDM holds the District games every year. All five local municipalities under the Zululand District partake in these games. On the 05th October 2008, ZDM Mayoral Cup Games were held at EDumbe. This year the host municipality was EDumbe municipality. Delegates & players from all five local municipalities participated in this prestigious event.

Following is a list of results of all games, selected players from EDumbe & technical team's members per code selected from EDumbe.

RESULTS AS PER CODES

✓ Dance 1. Abaqulusi 2. Ulundi 3. UPhongolo	✓ Cricket 1. UPhongolo 2. Abaqulusi 3. Ulundi	✓ Volleyball Males 1. UPhongolo 2. Abaqulusi 3. Ulundi
✓ Rugby Females 1. UPhongolo ✓ 2. Ulundi	✓ Volleyball Females 1. Ulundi 2. EDumbe	✓ Ingqathu 1. Ulundi 2. eDumbe

✓ Football Males 1. Nongoma 2. eDumbe 3. UPhongolo	✓ Boxing 1. Ulundi 2. UPhongolo 3. EDumbe	✓ Table tennis 1. UPhongolo 2. Abaqulusi 3. EDumbe
✓ Football females 1. UPhongolo 2. Abaqulusi 3. Ulundi	✓ Rugby Males 1. Abaqulusi 2. UPhongolo 3. EDumbe	✓ Netball males 1. Ulundi 2. UPhongolo 3. Nongoma
✓ Umlababala 1. UPhongolo 2. Ulundi	✓ Athletics 1. UPhongolo 2. Abaqulusi 3. Nongoma	✓ Netball females 1. Ulundi 2. UPhongolo 3. eDumbe
✓ Induku 1. Ulundi 2. Abaqulusi	✓ Basketball Males 1. eDumbe	

SELECTED PLAYERS FROM EDUMBE

BASKETBALL FEMALES Nomonde Haya Zanele Luvuno Siphiwe Zulu Zanele Mbatha Thobile Mkhonza Busisiwe Mncube Simangele Madonsela Siphephelo Buthelezi Zilungile Coka Nkosingiphile Mbuli	BASKETBALL MALES Sandile Nkosi Siyabonga Zulu Siphamandla Mncwango Sandile Sikhakhane Sakhile Mthethwa Phakamisani Sibiya
RUGBY MALES Lifa Mahima Thobelani Hlatshwayo	BOXING Simphiwe Mkhonza Khulekani Vilakazi Mzwakhe Khambule
VOLLEYBALL FEMALES Cebisile Kunene Zama Masuku	VOLLEYBALL MALES Thami Zwane Wandile Mbonambi
TABLE TENNIS Thandeka Xaba Muzi Ngema Amanda Simelane Nkululeko Ntuli	ATHLETES Ntozakhe Hlatshwayo Meluleki Hlatshwayo Nozipho Mtshinga
SOCCER MALES Njabulo Zungu Beka Msibi Sandile Nkosi Ayanda Mhlungu Nkosinathi Sikhosana	SOCCER FEMALES Fisokuhle Nkosi Bonisiwe Khumalo Zinhle Thwala Simphiwe Shongwe
NETBALL MALES Mzwakhe Zwane Sithembiso Dube	NETBALL FEMALES Pinky Khumalo

ZDM TECHNICAL TEAMS [PEOPLE SELECTED FROM EDUMBE]

NAME	CODE	POSITION
Nkululeko Mayaba	Basketball females	Head Coach
Mandla Ngema	Table Tennis	Team Manager
Sibusiso Zwane	Volleyball Females	Team Manager
Kate Zungu	Netball females	Kit Manager
Sibiya Andries	Netball males	Team Manager

- ✓ Visited all 7 wards for sports grounds audit with the Consultant from DEC. This is a consultants company under the Provincial Department of Sports & Recreation. Their task is to visit all sports facilities under each municipality for audit & funds seeking purposes.
- ✓ Community Development Department attended the EDumbe Hub Launch on Saturday, the 31st January 2009
- ✓ Attended the Grade 12 Learners Forum organized by the Ukhozi FM & the Office of the Mayor

WORKSHOPS

- ✓ Consultative Research Workshop: Integrated Youth Development Strategy by the Department of Community Safety & Liaison
- ✓ District Department of Sports & Recreation made a proposal to EDumbe municipality regarding the above mentioned workshop. Sports representatives from all seven wards were invited. They were invited as per the sports codes that we have in EDumbe. The workshop was held from the 24th – 26th October 2008 at the Skills Centre. 30 people were expected to attend, but only 16 attended. Although attendance was not good, the workshop was successful. At the end certificates of attendance were issued to those who had attended for the full three days.

SPORTS ADMINISTRATION WORKSHOP [ATTENDEES]

NAME & SURNAME	CODE	WARD
Isaac Hadebe	Youth & Sports Clerk	4
Fortunate Nkosi	Speaker Youth Council	1
S'phamandla Maseko	Deputy Chairperson Sports Council	3
Thuli Ngwenya	Secretary Sports Committee	4
Ntombana Nkosi	Chairperson Sports Committee & Secretary Sports Council	5
Sandile Nkosi	Soccer males	

Dobi Zulu	Deputy Chairperson Sports Committee	6
Bongani Dlamini	Soccer females	4
Kate Zungu	Netball females	4
Alex Mbatha	Golf males	3
Bongumusa Mazibuko	Dumbe Hub Coordinator	3
Nomusa Mkhabela	Indeigenous Games	4
Busi Dlamini	Athletes	1
Maxwell Ngema	Boxing	4
Philisiwe Khumalo	Indigenous games	4
Sibusiso Sima	Soccer males	4

LOCAL ECONOMIC DEVELOPMENT (LED)

Although this section is operating under financial constraints, but we still strive to assist the community to the best of the department's ability. The kind of assistance does not always need finances, but an individual's dedication.

ACTIVITIES

- ✓ Total number of projects assisted with business plans, CK registrations, registration in the municipal database & bursary forms = 13
- ✓ In May 2009, the LED section delivered projects to all seven wards of the municipality. These projects ranged from poverty alleviation, women empowerment, sports development, youth development, music development, etc.

The following is a list of all projects delivered & items that were delivered:

[SEE ATTACHED LIST]

EDUMBE MUNICIPALITY POVERTY ALLEVIATION PROJECTS DELIVERED FOR 2008/2009.

Project Name	Ward	Place	Items
<ul style="list-style-type: none"> Ntengwane; Ngulubeni; Mphundu; Siqintini; Makholweni; Kwanyosi; Lujojwana; Mqongwane Chicken Projects 	6	Ntengwane; Ngulubeni; Mphundu; Siqintini; Makholweni; Kwanyosi; Lujojwana; Mqongwane	5 finisher mash per group
<ul style="list-style-type: none"> Sizakancane Catering Project 	6	Balmoral	3 burner gas, 500 plastic plates, 8 pots, plastic spoons, 1 video camera
<ul style="list-style-type: none"> Thuthukani project 	6	Balmoral	Windows and 50kg putty for the balmoral centre
<ul style="list-style-type: none"> Khikhinkunzi Group 	6	Enkembeni	Amabheshu
<ul style="list-style-type: none"> Kwanyosi, Makholweni; Mphundu, Balmoral; Nkembeni garden projects 	6	Kwanyosi, Makholweni; Mphundu, Balmoral; Nkembeni	2 rolls of barb wire per area.
<ul style="list-style-type: none"> Liverpool f.c 	5	Ophuzane	Soccer jersey
<ul style="list-style-type: none"> Amavezokuhle 	5	ophuzane	Uniform ye-ngoma
<ul style="list-style-type: none"> Kellis fc 	5	ophuzane	Soccer kit
<ul style="list-style-type: none"> Rubber fc 	5	ophuzane	Soccer kit
<ul style="list-style-type: none"> Zamalek fc 	5	ophuzane	Soccer kit
<ul style="list-style-type: none"> Barcelona fc 	5	Tholakele	Soccer kit
<ul style="list-style-type: none"> Young herous 	5	Tholakele	Soccer kit
<ul style="list-style-type: none"> Try again fc 	5	Tholakele	Soccer kit
<ul style="list-style-type: none"> Dumbe stars 	5	tholakele	Soccer kit
<ul style="list-style-type: none"> Sprinters fc 	5	tholakele	Soccer kit
<ul style="list-style-type: none"> Young stars 	5	tholakele	Soccer kit
<ul style="list-style-type: none"> Izimbali zenqaba 	5	tholakele	Sound system (2 speakers, 2 microphones, 1 amplifier, 1 cd player)
<ul style="list-style-type: none"> M.V.E Stars 	7	Zungwini	Soccer and netball jersey
<ul style="list-style-type: none"> Pro aces 	7	Bivane	Soccer jersey
<ul style="list-style-type: none"> Sunshine fc 	7	Kwa Vova	Soccer and netball jersey and balls
<ul style="list-style-type: none"> 2 for joy 	7	Kwa Vova	Soccer balls
<ul style="list-style-type: none"> Mpumalanga fc 	7	Matshekazi	Soccer kit and balls
<ul style="list-style-type: none"> M5 FC 	7	Zungwini	Soccer jersey and netball jersey

• Blue Ocean	7	Pivaan Spoort	Soccer kit
• Phezukomkhono Project	7	Zungwini	20 cement; 30 bags pigs finsher , 14 corugated sheets, 8 timber, 100 nails
• JBC WELDING	7	Kwavova	Generator and extension
• Kusa kusa project	7	Bivane	15 bags chicken mash
• Mangosuthu blocks project	2	mangosuthu	Block making machine; 21 bags of cement
• Vukusebenze mini-market	2	mangosuthu	1 window frame; 1 doorframe; 20 bags; 8 corrugated sheets.
• Zamimpilo construction	2	ngwanya	1 block making machine and 20 bags
• Bilanyoni CD organization	4	bilanyoni	1 tent, 50 chairs, 2 tables
• Crocodiles	4	bilanyoni	Uniform yesicathamiya (20 pants, 20 shirts, 2gloves, 20 coats)
• Bilanyoni youth freedom	4	bilanyoni	Soud system (2 speakers, 2 stands, 2 microphones, and 1 mixer)
• Greenfield, Matshotshombeni, Buffalo, elokishini elidala chicken projects	3	Dumbe location	88 chicks, 10 mash per group.
• Mncelwini cooperative	3	Dumbe location	Sound system (2 speakers, 1 amplifiers and 2 microphone)
• Thuthukani project	3	Dumbe location	2 poles tent, 50 chairs and 2 tables
• Future weapon	3	Dumbe location	4 vodacom lines
• Dumbe HIV action group	3	Dumbe location	3 burner gas stove and gas, 50 plates, 1 electric boiler, 60 litres pot, 20 litres pot.
• Maluthungo project	3	Dumbe location	2 poles tent, 50 chairs and 2 tables

• Ubuhle besizwe	1	penvaan	Uniform: 16 siutes
• Umbelebele	1	friberg	9 goats and 3 bags of mash
• Mayande intuthuko	1	nhlangosi	100 chicks and 10 bags of mash
• Izindlovu project	1	bazangoma	2 imishini yokusika utshani

NB Blue Bees FC 4
AFRICAN BUMPERS FC 4

BILANYANI
BILANYANI

soccer kits, shin guards, soccer boots, bibs
Soccer kits, shin guards, soccer boots, bibs.

LIBRARIES

The éDumbe Municipality has two libraries, namely éDumbe Library & Paulpietersburg Library. They are both in Ward 3. The eDumbe library is in Emncelwini [township] and Paulpietersburg library is in town. The Edumbe library is mostly used by the Zulu speaking clique, whilst the Paulpietersburg library is used by Whites, Afrikaners, Germans & the Zulu's.

Hindrances experienced by these libraries are that the personnel are limited. Two libraries are run by three [3] people. It becomes a problem for those users who only get the chance on weekends, since our libraries do not open on weekends due to staff shortage. Sometimes when the librarian and one library assistant are supposed to attend the Libraries meetings outside Dumbe, the situation calls for one of the Libraries to close on that day [which is unfair to library users]

The Edumbe Library operates from 07H30 AM – 16H00 PM, whilst Paulpietersburg library operates from 07H30 AM – 17H00 PM. To show compassion for the senior citizens of the area, the municipality agreed that every Wednesday the Paulpietersburg library assistant visits the Old Aged Home to supply books to the old people so that they keep themselves busy and do not feel left out.

The reporting system used by the Libraries is that of submitting weekly reports [statistics] to the Manager Community Development as well as monthly statistical reports to both the municipality & Provincial Library Services Department. It is these statistics that assist the municipality to determine whether the libraries are an asset to the community or not.

CLINIC

With a very minimal budget to operate with, our clinic is striving above all forces to render quality & professional health service to its recipients. With only 1 Senior Professional Nurse, 1 Professional Nurse, 1 Enrolled Nurse, 1 Pharmacy Assistant & 2 AIDS Counsellors, our clinic is able to service an average of 250 patients per day. The kinds of services rendered by the municipal clinic range from family planning, immunisations, STI's, TB, Ante Natal Care, VCT & referrals to doctors / hospital.

It must also be noted that due to shortage of funds, the municipality was unable to employ its own AIDS Counsellors. The AIDS counsellors in our clinic are assistance from the District Department of Health. They are paid for by the department, but the monitoring & evaluation part of their performance lies with the municipality.

HIV / AIDS

Again, due to budget constraints, this component was unable to function to its full potential this financial year. One good initiative that was done by this component was that of establishing the eDumbe Local AIDS Council. This council was formed as the means and a tool to work with in trying to fight HIV / AIDS in the area. Representatives from different stakeholders were elected [Department of Health, Department of Social Development, Department of Agriculture, SAPS, Justice, Amakhosi, Councillors, Department of Environmental Health, Izinduna, etc]. The chairperson of the Local Aids Council is none other than the Honourable Mayor, Councillor M. A. Hlatshwayo.

When this structure was launched in August 2008 representatives from all the said department, Office of the Premier & Zululand District Municipality were present to witness hope unfolding, hope that is envisaged to be the toolkit to fight HIV / AIDS.

Full functionality of the said council depends mainly on cooperation from all stakeholders. It is thus envisaged that the 2009 / 2010 financial year will hopefully see the functionality of this council at its level best.

GENDER & WOMEN EMPOWERMENT

Unfortunately, this component did not function at all in the 2008 / 2009 financial year. Budget constraints as well as personnel shortages played a role in dampening the ability of this component to perform.

PEOPLE WITH DISABILITIES

The Community Development department working hand in hand with the office of the Municipal Manager & the Office of the Mayor were able to identify a space where the Khandisizwe Organization for People with Disabilities could work. They had been complaining the municipality that they needed a place where they can work & safe keep their goods. After long discussions, the municipality finally decided to give them a room at the Municipality's Skills Centre. They are now fully operating in that room.

An amount of R 30 000.00 budgeted for them was used in the 2008 / 2009 financial year to purchase all the material that they required in order to carry out their hand work. Although this budget could seem very limited, but it means a lot to people who have never been budgeted for in the municipality, this was the first time they had an amount written in their name.

The hand work that they produce is taken to public displays, especially when there are exhibitions.

HOUSE OF TRADITIONAL LEADERS

There are no activities performed in this component, but mostly they also play an oversight role to see whether the municipality does deliver services to the communities at large. For the first time ever in the history of eDumbe Municipality, traditional leaders had a budget written in their name. They had a budget of R 50 000.00. This budget was mainly used for transports costs when Amakhosi were called to meetings, workshops, ceremonies, etc outside of eDumbe Municipality.

SOCIAL DEVELOPMENT

Community Development as explained by Ife J, in his book '*Understanding Community Development Concept*' 2002; he clearly states & emphasizes that community development is not only about poverty alleviation, youth development, sports & recreation and the likes. But there are activities & endeavours that the municipality should perform in order to bring about community development. Those are activities that do not involve delivering of projects, handing out of food parcels, giving awards, etc but activities that develop the person personally & spiritually.

The Community Development department did not only focus on sports, LED, Gender, etc but other avenues in the community were also tapped into.

The following are the activities that were carried out by the Community Development department in relation to social upliftment:

- ✓ **Child Abuse Awareness Campaign:** this campaign was held on the 23rd September 2008 in Bilanyoni Community Hall. This function was done in memory of Sinegugu, a little two year old baby girl who raped & brutally murdered. Scholars from all Primary Schools from around Bilanyoni were invited to attend this event. Representatives from Department of Social Development, Department of Health, SAPS, Public Protector & Child line graced the event with their presentation & child friendly demonstrations.

- ✓ **Human Rights Forum:** on the 19th February the District Executive Committee for Human Rights Forum was elected. Three members from eDumbe attended this meeting, including HOD Community Development. The Exco of the District's Human Rights Forum was elected & is comprised as follows:

Chairperson: Mr. S. Maseko [eDumbe]

Deputy Chairperson: Mrs. N. Mathaba [Nongoma]

Secretary: Miss M. Molefe [Vryheid]

Treasurer: Mrs. A. Mafulela [UPhongolo]

PRO: Mr. M. Dunge [Ulundi]

- ✓ On the 27th March 2009, the Community Development held a Memorial Service in memory of Mthokozisi Mbokazi who had passed away. He was a player in the Municipality's 2008 / 2009 soccer team. He was still a learner at Kanye – Kanye high school. The memorial service was organised by the Community Development Department. It was attended by Councillors, Municipality Management, municipality officials, the Honourable Mayor, the School Principal of Kanye-Kanye High School, his class mates, family members, friends & Reverend Cele.

RECOMMENDATIONS FROM THE DIRECTOR

I would like to take this opportunity to make the following recommendations to the Council of eDumbe Municipality and the management as a whole. These recommendations are hoped to take this department from the level where it is now to the level where we all wish it to be. But I have not forgotten the fact that all these recommendations will not be fulfilled if the necessary monies are not attained, they could just as well be unrealisable dreams.

Firstly, I would like to appear to the Council of eDumbe Municipality that the Community Development department is in dire need of skilled and well experienced people to take forward the critical departmental functions / sectors. They are LED, Disabled people & HIV / AIDS. These I will say are critical areas because they require a people who have been thoroughly trained to tackle issues underlying these sectors and those people must be well experienced in these fields so as to be able to ensure that no stones are left unturned.

Secondly, shortage of personnel also plays a great deal in this department's inability to stick to target dates / meet deadlines. It is therefore recommended that the Council and management of this municipality take into consideration the possibility of extending this department, so that there will be no excuse of why some other things are not done on time or why target dates are not met.

Thirdly, the issue of vehicles shortage also dampens the speed at which the department could perform. The vehicles that we have now are not user friendly especially taking into account the areas that we go to. There are times whereby the department has to go out to a certain community but we are unable to do so because of the make of the vehicles we have and the types of roads we drive on. It should be made clear that the Community Development department cannot always rely on borrowing vehicles from other departments every time the need arises because sometimes all vehicles are occupied.

Fourthly, the functionality of this department depends immeasurably on the availability of funds in the municipality. Without funds, this department becomes dysfunctional. It has become clear that the budget of this department from municipal coffers is not enough. It

is high time that the department started looking for funding for some of its programs from other agencies, be it private sector or government department or even embassies.

Lastly, this recommendation will not be fulfilled by council or management for that matter, but individuals within the Department in question. Even if all the above requests were to be granted on a silver platter, they would be useless if there is no dedication from the side of those who are to utilise them. It is on this note that I would like to appeal to Community Development personnel to work hard and dedicated as if this was the only department t in the whole municipality.

CONCLUSION

In conclusion I would take this opportunity to express my deepest gratitude to the people, organizations, structures, departments, etc who have played a vital role in ensuring that the Community Development is able to carry out its mandate and exceeds all expectations where it did, your contributions did not go unnoticed.

I would take this time to thank the following people, organizations & structures for the good and very supportive framework they gave to this department, they are as follows:

- ✓ Personnel of the Community Development Department
- ✓ Office of the Municipal Manager
- ✓ Office of the Mayor
- ✓ All HOD's & Managers
- ✓ Ward Councillors & PR Councillors
- ✓ Ward Committees
- ✓ Youth Committees & Youth Council
- ✓ Sports Committees & Sports Council
- ✓ Bilanyoni Sports Hub
- ✓ Dumbe Sports Hub
- ✓ Amakhosi & Izinduna
- ✓ SAFA eDumbe
- ✓ All sports codes
- ✓ Khandisizwe Organization for people with disabilities
- ✓ People Against Child Abuse organisation
- ✓ Bilanyoni & Dumbe HIV / AIDS Action Groups
- ✓ Tholakele Orphan Care
- ✓ Zululand District Municipality

Lastly, the greatest gratitude goes to the community of eDumbe as a whole for allowing this department to demonstrate what we are capable of, without your enormous support none of the above would have so successfully taken place.

INFRASTRUCTURE AND SERVICES DEPARTMENT

INTRODUCTION

The infrastructure and services department is responsible for providing essential services consisting of waste management, infrastructure development and maintenance in the municipal area of jurisdiction of Edumbe Municipality.

The mission of this department is to provide, maintain and extend infrastructural development services to the communities of eDumbe Municipal area in an efficient and effective manner.

FUNCTIONAL OVERVIEW

This department has the following seven operational sections

- ✓ Project Management Unit
- ✓ Development Planning
- ✓ Electrical supply and maintenance
- ✓ Roads and storm water management
- ✓ Building inspection
- ✓ Waste management
- ✓ Housing Unit

The staff members per section are as follows:

SECTION	STAFF MEMBERS PER SECTION
Project Management Unit	1
Development Planning	1
Electrical supply and maintenance	4
Roads and stormwater management	6
Building inspection	1
Waste management	10
Housing unit	1
TOTAL	24

The municipality was able to fill only five posts out of twelve posts that were vacant. The great effort and dedication by staff of the department is highly appreciated in service provision.

TECHNICAL SERVICES BUDGET FOR 2007/2008

Section	Budget	Actual
SWD & Roads: PPB	1,879,280	2,526,137
Infrastructure admin	665,320	181,036
SWD & Roads : Bilanyoni	1,880,490	1,450,467
Refuse removal :PPB	649,275	432,245
Refuse removal: Bilanyoni	392,140	275,803
Electricity distribution	5,301,038	4,659,982
TOTAL	10,767,543	9,525,670

FUNCTIONS OF SECTIONS IN THE INFRASTRUCTURE DEPARTMENT

As mentioned the department consists of seven sections responsible for rendering various services in the technical department and are as follows.

SECTION: PROJECT MANAGEMENT UNIT

The main functions of this section are as follows

- ✓ Compilation of project business plans to access MIG funding
- ✓ Appointment of consultants to design and manage projects
- ✓ Manage project implementation
- ✓ Monthly reporting on capital budget expenditure to MIG
- ✓ Quality management on all projects due for implementation
- ✓ Overall management of capital works in the municipality

SECTION: DEVELOPMENT PLANNING

The core functions of this department are,

- ✓ To control, guide and ensure that development takes place in a sustainable manner
- ✓ To ensure that spatial development and land use management scheme is implemented
- ✓ To prepare IDP and review it annually as per the legislative requirement

SECTION: ELECTRICAL SUPPLY AND MAINTENANCE

The core functions of this section are;

- ✓ Ensure consistent supply of electricity to residents
- ✓ Repairs and maintenance of electrical infrastructure
- ✓ Respond to all queries regarding the delivery of electrical service
- ✓ Development of electrical infrastructure

SECTION: ROADS AND STORMWATER MANAGEMENT

The core functions are:

- ✓ Identify financial requirements of the section
- ✓ Preparation of maintenance plan for roads and stormwater
- ✓ Cleaning and maintaining stormwater drains
- ✓ Repairing municipal roads
- ✓ Reporting monthly on activities executed

SECTION: BUILDING INSPECTION

The main functions of this section are;

- ✓ Receive plan submitted for approval
- ✓ Approve building plans
- ✓ To ensure compliance to building regulations in buildings in the municipal area.

SECTION: WASTE MANAGEMENT

Core functions are;

- ✓ Execute the service as per integrated waste management plan
- ✓ Collect refuse in the municipal area to ensure clean environment
- ✓ Maintenance of waste management equipment
- ✓ Management and maintenance of dump site.

SECTION: HOUSING UNIT

The main functions of this unit are;

- ✓ To prioritise housing needs of the residents
- ✓ Manage preparation and submission of housing development application to the housing department for approval
- ✓ Appoint and manage housing implementing agents to ensure sound service delivery
- ✓ Manage preparation and implementation of housing development plan

PROJECTS EXECUTED IN 2008/2009

The department has successfully implemented the following projects

1. Rehabilitation of Bilanyoni roads	R 7, 900 000.00
2. Upgrading of eDumbe regional stadium	R 1, 200 000.00
3. Upgrading of eDumbe roads phase 3	R 1, 000 000.00
4. Rehabilitation of rural roads	R 2, 000 000.00
5. Maintenance of PaulPietersburg roads	R 600 000.00
6. Maintenance of Bilanyoni roads	R 400 000.00
7. Maintenance of electrical infrastructure	R 300 000.00

CHALLENGES FACED BY THE DEPARTMENT

- ✓ Shortage of staff
- ✓ Inadequate equipment
- ✓ Financial shortages
- ✓ Infrastructural backlogs

SUCSESSES OF THE DEPARTMENT

- ✓ Best municipality in KZN to spend MIG funds
- ✓ Improved roads condition in Paulpietersburg
- ✓ Reinforced technical department by hiring a Town Planner and the PMU Manager
- ✓ Have done IDP internally

FINANCE DEPARTMENT

INTRODUCTION

éDumbe municipality faces a huge challenge due to the increased service demands with a small and stagnant revenue basis and it cannot sustain itself without grants and external funding sources. One of the key priority areas for éDumbe Municipality is the financial viability of the municipality. The financial strategies are hence being reviewed in order to achieve the financial stability goal. In order to sustain éDumbe Municipality's financial position as a viable entity a number of strategies and programmes had to be put in place.

Good governance will be practiced through the proper implementation of the Municipal Finance Management Act and in particular the improvement in accountability by enhancing transparency, public participation and risk assessment to minimize opportunities for fraud and corrupt activities.

The financial affairs of the Municipality are governed by the following legislation:

- ✓ Division of Revenue Act
- ✓ Public Finance Management Act
- ✓ Municipal Finance Management Act
- ✓ Treasury Regulations

REVENUE SECTION

Property rates: Municipal Property rates Act came to effect on the 01 July 2009.

Collection: The municipality have approved the indigent policy to cover all those indigent people who can not pay for municipal basic services so that they can get support.

EXPENDITURE SECTION

CREDITORS: Due to increased service demands with a small and stagnant revenue basis the Municipality have paid other creditors late. There are creditors who were paid after 30 to 60 days after the invoice were issued:

Most of the financial staff is covered in the annual financial statement and audit report and responses.